

VISHNU CHEMICALS LIMITED



23rd

ANNUAL REPORT

2015-2016



Board of Directors:	Sri. Ch. Krishna Murthy Sri. Ch. Siddartha Smt. Ch. Manjula Sri. U. Dileep Kumar Sri. T.S. Apparao Dr. S. Chandrasekhar	Chairman & Managing Director Joint Managing Director Director Independent Director Independent Director Independent Director	
Company Secretary	Ms. Shruti Gupta		
Auditors:	C K S Associates Chartered Accountants 87, Nagarjuna, Road # 3, Gagan Mahal Colony, Hyderabad - 500 029	N.V.S Kapardhi Cost Accountants GHMC No.7-1-621/468, SRT-148, S.R. Nagar Hyderabad - 500038	L.D. Reddy & Co Secretarial Auditors Afzal Commercial Complex Lakadikapool, Hyderabad-500 004
Bankers:	State Bank of Hyderabad Andhra Bank Indian Overseas Bank State Bank of India State Bank of Mysore Union Bank of India		
Registered Office:	6-3-662/B/4, Sri Sai Nilayam, II Floor Sangeetnagar Colony, Somajiguda Hyderabad - 500 082 Telangana, India. Tel: 040-66626681-83 Fax:040-66622225, 23314158 Website: www.vishnuchemicals.com Email: vishnu@vishnuchemicals.com CIN: L85200TG1993PLC046359		
Works:	Survey No. 15 Gaddapotharam Medak District – 502319 Telangana Plot No. 57, Phase - III, IDA., Jeedimetla, Hyderabad - 500 055 Telangana	Survey No. 18-26 Nandini Road Bhilai – 490026 Chattisgarh Plot No.29, IOCL Road J. N. Pharma city, Parwada Visakhapatnam Dt. – 531019 Andhra Pradesh	
Registrar & Share Transfer Agent:	Bigshare Services Pvt. Ltd. 306, Right Wing, Amrutha Ville, Opp. Yasodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad - 500 082.		
Listing	BSE Limited National Stock Exchange of India Limited Ahmedabad Stock Exchange Limited		



Notice of Annual General Meeting

Notice is hereby given that the Twenty Third Annual General Meeting of the members of **Vishnu Chemicals Limited** will be held on Wednesday the 28th day of September, 2016, at 11.00 A.M at Hotel I K London, 6-3-656, Kapadia Lane, Somajiguda, Hyderabad - 500082 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss for the period ended on that date and Directors' and Auditors' Reports there on.
2. To appoint a Director in place of Smt. Ch. Manjula, who retires by rotation and being eligible, offers herself for re-appointment.
3. To confirm interim dividend of Re.1.00 per equity share, already paid for the year ended 31st March, 2016 as final dividend.
4. To appoint Auditors and to fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, (including any statutory modification(s) or re-enactment thereof), M/s. Jampani & Associates, Chartered Accountants, (Firm Registration No. with ICAI – 016581S) be and are hereby appointed as Statutory Auditors of the Company for a term of 5 years from the conclusion of this Twenty Third Annual General Meeting till the conclusion of Twenty Eighth Annual General Meeting in 2021, in place of retiring auditors M/s. C K S Associates, Chartered Accountants, (Firm Registration No. with ICAI – 007390S) who have expressed their unwillingness, who pre-occupied with other audits for re-appointment. subject to annual ratification by the shareholders at every Annual General Meeting and at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company."

SPECIAL BUSINESS:

5. **To Re-appoint Sri. Ch. Krishna Murthy (DIN: 00030274) as Managing Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections, 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and on the recommendations of Nomination & Remuneration Committee (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the company be and is hereby accorded to the appointment of Shri. Ch. Krishna Murthy (DIN: 00030274) as Managing Director of the company for a further period of (5) Five years with effect from 3rd January, 2016 with remuneration, perquisites, benefits and other allowances as under:

- A. Salary: Rs. 5.50 Lakhs per month
- B. Perquisites: In addition to the salary, he shall be entitled to the perquisites, benefits set out below.
 - a). Personal Accident Insurance: As per rules of the company.
 - b). Car: Free use of company's car with driver.
 - c). Reimbursement of expenses actually incurred by him for the business purpose of the company.

"RESOLVED FURTHER THAT, in the event of loss or inadequacy of profits in any financial year in terms of Schedule V of Companies Act, 2013 a minimum remuneration be paid to Sri. Ch. Krishna Murthy, Managing Director of the Company as prescribed in Schedule V of the said Act.



“RESOLVED FURTHER THAT, the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. To appoint Dr. Srivari Chandrasekhar (DIN 00481481) as Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 [Including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, and provisions of Listing regulations. Dr. Srivari Chandrasekhar (DIN- 00481481), who was appointed as an Additional Director of the Company, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Dr. Srivari Chandrasekhar as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of Two years commencing from 13th August, 2015 to 12th August, 2017 and whose period of office shall not be liable to retire by rotation.”

7. To Appoint Sri. Ch. Siddartha (DIN 01250728) as Joint Managing Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections, 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and on the recommendations of Nomination & Remuneration Committee (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the company be and is hereby accorded to the elevation and appointment of Sri. Ch. Siddartha (DIN: 01250728) as Joint Managing Director of the company liable to retire by rotation for a period of 5 (five) years with effect from 2nd May, 2016 with remuneration, perquisites, benefits and other allowances as under:

- A. Salary: Rs. 4.00 lakhs per month
- B. Perquisites: In addition to the salary, he shall be entitled to the perquisites, benefits set out below.
 - i). Personal Accident Insurance: As per rules of the company.
 - ii). Car: Free use of company's car with driver.
 - iii). Reimbursement of expenses actually incurred by him for the business purpose of the company.

“RESOLVED FURTHER THAT, in the event of loss or inadequacy of profits in any financial year in terms of Schedule V of Companies Act, 2013 a minimum remuneration be paid to Shri. Ch. Siddartha, Joint Managing Director of the Company as prescribed in Schedule V of the said Act.

“RESOLVED FURTHER THAT, the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

8. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2017 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 [including any statutory modifications(s) or re-enactment thereof, for the time being in force], the remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus service tax as applicable and reimbursement of actual expenses, to be paid to M/s. N.V.S. Kapardhi, Cost Accountants, Hyderabad (Regd. No.100231) as Cost Auditors of the Company, for the financial year 2016-2017, be and is hereby ratified”.



9. **To approve the Agreement with M/s Vasantha Transport Corporation (VTC), and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:**

“RESOLVED THAT, pursuant to the provisions of section 188 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 (including any statutory modifications(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby given for entering into contract with M/s. Vasantha Transport Corporation for availing of transport services and to take on contract basis the trucks from M/s. Vasantha Transport Corporation on such terms and conditions at prevailing market prices for a period of 5 years from the date of this meeting for a total contract value not exceeding Rs.40.00 Crores per annum.

“RESOLVED FURTHER THAT, the Board of Directors (hereinafter referred to as “the Board” be authorised to alter and vary the terms and conditions as it may deem fit and as may be acceptable between the company and M/s. Vasantha Transport Corporation, subject to the amount not exceeding the contract value specified above.

“RESOLVED FURTHER THAT, the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

For and on behalf of the Board

Sd/-

(Ch. Krishna Murthy)

Chairman & Managing Director

Place: Hyderabad

Date: 06.08.2016

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY STAMPED, SIGNED AND DEPOSITED AT THE COMPANY’S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Proxies submitted on behalf of Limited Companies, Societies, Partnership Firms, etc., must be supported by appropriate resolution/authority, as applicable, issued by the member organization.
3. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
4. The authorised representatives of the corporate members are requested to bring a certified true copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 duly authorizing them to attend and vote at the Annual General Meeting.
5. Interim dividend of Re. 1.00 per equity share has been paid for the year ended 31st March, 2016 and the same be treated as final dividend for the financial year 2015-16.
6. Members holding shares in dematerialized form are hereby informed that, bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The



Company or its Registrars cannot act on any request received directly from the Members holding shares in dematerialized form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.

7. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special business to be transacted at the meeting is annexed hereto.
8. The register of members and share transfer books of the Company will remain closed from 22.09.2016 to 28.09.2016 (both days inclusive).
9. Electronic copy of the Annual Report for the financial year 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2015-16 are being sent in the permitted mode.
10. Members whose shareholding is in the electronic mode are requested to inform change of address, emails, phone numbers and updates of savings bank account details to their respective depository participants.
11. Members wishing to claim dividends, which remain un-claimed are requested to correspond with the Company Secretary, at the Company's registered office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 and 125 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.
12. Members are requested to send their queries, if any, on the accounts and operations of the Company, to the Company Secretary at least 7 days before the meeting.
13. A Member or his/her proxy is requested to bring the annual report to the meeting as extra copies will not be distributed.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices etc., from the Company electronically.
15. Pursuant to the provisions of Section 107 and 108, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the option of E-Voting facility to all the members of the Company. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting. The Members who wish to attend Annual General Meeting can vote at the Meeting. The Company has appointed Mr. L. D. Reddy, Practicing Company Secretary as Scrutinizer.
16. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on 25.09.2016 at 10.00 A.M. and ends on 27.09.2016 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21.09.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Company Name: Vishnu Chemicals Limited

EVSN: 160816048

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID



- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio/client id number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Vishnu Chemicals Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.



- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

For and on behalf of the Board

Sd/-
(Ch. Krishna Murthy)
Chairman & Managing Director

Place: Hyderabad
Date: 06.08.2016

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013:****Item No. 5**

The Board of Directors of your company at its meeting held on 12.11.2015 has re-appointed Sri Ch. Krishna Murthy as Managing director of the company for a further period of 5 (Five) years with effect from 03.01.2016 subject to the approval of shareholders of the company.

Sri. Ch. Krishna Murthy is the Chief promoter of the Company and with his dedicated efforts and hard work, the company crossed many mile stones. He created Brand image in the International markets for all products of the Company. He moulded the company as one of the best players in the global market.

Your board considers it desirable that the company should continue to avail of his services and accordingly recommends the above resolutions for your approval.

The detailed terms of appointment of Sri Ch. Krishna Murthy as given in the above resolution has been approved by the Board of Directors on recommendations of the Nomination & Remuneration Committee of the company in its meeting held on 11th Nov, 2015. In terms of the provisions of Sections 196, 197, 198 & 203, Schedule V and all other applicable provisions, if any of the Companies Act, 2013 (the "Act"), the above is required to be approved by the shareholders as a Special Resolution. The terms and conditions as specified in the said resolution shall also be treated as an abstract of his terms of appointment and memorandum of disclosure of nature of interest or concerns therein in terms of section 102 of the companies Act, 2013.

None of the directors, except the incumbent Sri Ch. Krishna Murthy along with his relatives Sri. Ch.Siddartha and Smt. Ch.Manjula, are interested or concerned in the above resolution No. 5.

Item No. 6

Dr. Srivari Chandrasekhar, was appointed as Additional Director at the Board meeting held on 13th August 2015. The Board proposed to appoint him as an Independent Director on the Board for a period of 2 (Two) years from 13.08.2015 to 12.08.2017.

Dr Srivari Chandrasekhar presently, is the Director of CSIR (Indian Institute of Chemical Technology), Hyderabad. Dr Srivari has made significant contributions in diverse areas of organic chemistry especially in chiral chemistry and total synthesis of biologically active natural products (marine natural products with architectural complexity). He has more than 250 publications with 5000 citations. 50 students have been already awarded Ph. D. degree under his able guidance and 20 Post Doctoral Associates have worked in his group. He has received several accolades including CNR Rao National Prize for Chemical Research 2012, CSIR Technology award 2014 and Infosys prize in Chemical sciences 2014 for his contributions in synthetic organic chemistry with special focus on the synthesis of complex molecules from natural sources and innovative, practical approaches to pharmaceuticals of current interest to industry. He is a fellow of all the three Indian Science academies i.e., National Academy of Sciences, Indian Academy of Sciences and Indian National Science Academy. Dr. Srivari obtained his Bachelors, Masters and Ph. D. degree from Osmania University while the work for Ph. D. was carried out in IICT on total synthesis of Cyclosporin.

Pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 [Including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, the appointment requires the approval of shareholders by way of Ordinary Resolution.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice.

None of the Directors except Dr. Srivari Chandrasekhar, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

Your Directors recommends the Ordinary Resolution set out at Item Nos. 6 of the Notice for your approval.

**Item No. 7.**

Sri. Ch. Siddartha, Whole Time Director of the company, has been elevated as Joint Managing Director of the company by the Board of Directors in their Meeting held on 2nd day of May, 2016. He has been pioneer in the overall development of the Company and effectively participating in the management decisions. He manages all Marketing related activities and strategic business development in the Company. He holds an engineering degree in Industrial Biotechnology, M.S in Bio-Technology from Northumbria University, U.K and Masters in Business Administration from Saginaw Valley State University, United States. Keeping in view the knowledge, expertise and efforts contributed by Sri. Siddartha and approved by Remuneration Committee, the Board proposed to appoint him as Joint Managing Director of the company and recommended the remuneration, perquisites, benefits and other allowances as under.

- A) Salary Rs. 4.00 lakhs per month.
- B). In addition to the above, they are entitled to the following benefits at the company's cost.
 - i). Personal Accident Insurance: As per rules of the company.
 - ii). Car: Free use of company's car with driver.
 - iii). Reimbursement of expenses actually incurred by him for the business of the company.

For the purposes of the foregoing, perquisites shall be valued as per Income Tax Rules, 1962. In the absence of any such rule, perquisites shall be evaluated at actual cost.

Sri. Ch. Siddartha may be deemed to be concerned or interested, financially or otherwise, to the extent of the shareholding in respect of his appointment as a Joint Managing Director. Further Sri. Ch. Krishna Murthy and Smt. Ch. Manjula, Managing Director and Director of the company respectively are his relatives and to the extent of shareholding interest in the company, may be deemed to be concerned or interested in the appointment of Sri. Ch. Siddartha.

Save and except the above, none of the other Directors of the Company are in any way concerned or interested in resolution No. 7.

Your Directors recommends the Special Resolution set out at Item Nos. 7 of the Notice for your approval

Item No. 8.

The Board of Directors, on recommendations of the Audit Committee, at their meeting held on 6th August, 2016, has approved the re-appointment and payment of remuneration of the M/s. N.V.S. Kapardhi, Cost Accountants, Hyderabad (Regd. No.100231), as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017 on a remuneration of Rs.50,000/- (Rupees Fifty Thousand only) per annum. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is being sought for passing an Ordinary Resolution as set out at Item No.8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice except to their shareholding.

Your Directors recommends the Resolution set out at Item Nos. 8 of the Notice for your approval.

ITEM NO. 9

The company has been availing of transport services from M/s. Vasantha Transport Corporation for many years and it has been proposed to continue to avail the services in future. M/s. Vasantha Transport corporation is providing the transport services along with other related services. Sri. Ch. Krishna Murthy, Managing

Vishnu Chemicals Limited



Director of the company is sole proprietor of M/s. Vasantha Transport corporation. The services being availed of from M/s. Vasantha Transport Corporation are at prevailing market rates.

In view of Section 188 and other related provisions of the Act and rules made therein the above contracts requires the approval of shareholders.

Sri. Ch. Krishna Murthy, Smt. Ch. Manjula and Sri. Ch. Siddartha are interested in the resolutions set out respectively at Item Nos. 9 of the Notice with regard to approval of contracts.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution set out at Item Nos. 9 of the Notice for approval by the shareholders.

For and on behalf of the Board

Sd/-

(Ch. Krishna Murthy)

Chairman & Managing Director

Place: Hyderabad
Date: 06.08.2016



ANNEXURE TO ITEMS 2, 5, 6 AND 7 OF THE NOTICE

Details of Directors seeking appointment/re-appointment at the Annual General Meeting pursuant to Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:

Name of the Director	Smt. Ch. Manjula	Sri. Ch. Krishna Murthy	Dr. S. Chandrasekhar	Sri Ch. Siddartha
Director Identification Number (DIN)	01546339	00030274	00481481	01250728
Date of Birth	17.05.1966	01.07.1957	09.03.1964	12.05.1985
Nationality	Indian	Indian	Indian	Indian
Date of appointment	02.01.2006	02.01.2006	13.08.2015	02.01.2006
Qualification	Graduate	Post graduate in Management	Ph.D Doctorate	B.Tech in Industrial Biotechnology, MS in Biotechnology and has an MBA from United States
Brief Profile	A Non Executive Director of the company and spouse of our Chairman and Managing Director, Smt. Ch. Manjula contributes significantly to our business through her support and guidance.	Sri Ch. Krishna Murthy is the Chairman and Managing Director of the company and is one of the key architects in developing the organization and is instrumental in transforming the company from single product to multi product. He is a postgraduate in Management and is having 25 years of experience in Chemicals and Logistics Industry	Dr Srivari Chandrasekhar is Director of CSIR-Indian Institute of Chemical Technology, Hyderabad. Dr Srivari has made significant contributions in diverse areas of organic chemistry especially in chiral chemistry and total synthesis of biologically active natural products (marine natural products with architectural complexity). He has more than 250 publications with 5000 citations. 50 students have been already awarded Ph. D. degree under his able guidance and 20 post Doctoral associates have worked in his group. He has received several accolades including CNR Rao National Prize for Chemical Research 2012, CSIR Technology award 2014 and Infosys prize in Chemical sciences 2014 for his contributions in synthetic organic chemistry with special focus on the synthesis of complex molecules from natural sources and innovative,	He is responsible for all International Marketing activities and Strategic Business Developments. The company exports increased remarkably during his tenure as Executive Director.



			practical approaches to pharmaceuticals of current interest to industry.	
List of Directorships held in other Companies	K.M.S. Infrastructure Ltd	K.M.S. Infrastructure Ltd	Nil	1. Vishnu Barium Private Ltd (Wholly Owned Subsidiary of the Company) 2. Vishnu Hong Kong Limited (Wholly Owned Subsidiary of the Company)
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	Vishnu Chemicals Ltd	Vishnu Chemicals Ltd	Vishnu Chemicals Ltd	Vishnu Chemicals Ltd
Total shares held by him in the Company	16,14,048 equity shares of Rs.10/- each (13.51%) 32,50,000 7% Redeemable Preference Shares of Rs.10/- each (6.84%)	62,19,790 Equity Shares of Rs. 10 each (52.07%) 4,41,00,000 7% Redeemable Preference Shares of Rs.10/- each (92.84%)	Nil	11,25,668 equity shares of Rs.10/- each (9.42%) 1,50,000 7% Redeemable Preference Shares of Rs.10/- each (0.32%)


DIRECTORS' REPORT

To
THE MEMBERS
VISHNU CHEMICALS LIMITED

Your Directors are happy to present their Twenty Third Annual Report on the business and operations of the Company and the financial statements for the year ended 31st March, 2016.

FINANCIAL RESULTS
(Rs. in lakhs)

Particulars	2015-16	2014-15
Gross Income	50000.86	45016.60
Profit before Interest, Depreciation & Tax	8514.59	7787.29
Less: Depreciation	1174.90	1221.81
Less: Interest	3279.18	3147.71
Profit for the year before taxes	4060.51	3417.77
Less: Provision for Taxes	1456.93	1227.06
Profit after Taxes	2603.58	2190.71
Add: Surplus brought forward from Previous Year	7395.97	5726.43
Surplus Carried forward to Balance Sheet	9999.55	7917.14
Less: Depreciation on life expired assets	-	13.73
Less: Capitalization of Interest on Fixed Assets during construction period adjusted	215.97	-
Less: Appropriations	294.46	507.44
Balance carried forward to next year	9489.12	7395.97

OPERATIONS

During the year, the company has achieved a turnover of Rs. 500.00 crores, which is Rs. 50.00 crores more than the previous year turnover. Company has made a profit of Rs. 26.03 Crores against profit of Rs. 21.91 Crores in the previous year which amounts to 18.86% increase over the previous year.

In spite of good performance, the company's growth was not as much expected because of foreign Exchange advantages to our world competitors. The company is facing competition from countries like Russia, Kazakistan, Turkey and South Africa and their currencies are devalued after fall in oil prices as they are export oriented countries. Whereas we in India being net import county our Government is not encouraging the rupee devaluation. In view of this we are affected in domestic market by cheap imports and also in export market as their realization in local currency is more, even in terms of dollar it is one and the same. From the table below, we can see the difference in currency devaluation.

Currency	As on Feb'15	As on Mar'16	Variation	Percentage
USD/INR	62.206	66.142	3.936	6.327
USD/CNY	6.157	6.464	0.307	4.986
USD/RAND	11.647	15.035	3.388	29.089
USD/LIRA	2.460	2.837	0.377	15.325
USD/TENGE	182.844	341.531	158.687	86.788
ISD/RUB	61.975	68.060	6.085	9.818
USD/EURO	0.879	0.883	0.004	0.455

Vishnu Chemicals Limited



In spite of the above gap your Company's growth could sustain because of strong fundamentals and efforts put in by the Management.

However during this year the Company is completing the projects of WSS, Power Plant, Chromic Acid and other alternative process technologies to face such challenges effectively and to maintain growth rate.

During the year the Company has acquired Solvay Vishnu Barium Pvt.Ltd., a company which is manufacturing barium Carbonate and its derivatives. In view of synergy in business and due to inherent fiscal benefits the company was made a 100% subsidiary of Vishnu Chemicals Limited.

Though business was not bad, the unit was not in good operating condition as the earlier management which was based abroad, didn't give due attention in terms of time and money. Hence it took us one year to stream line the operations. At present the company is positioned as International Barium products Supplier as well as technically updated with latest standards. During the year in view of above said reasons the Company incurred losses and we are confident to turn around this year.

FUTURE PLANS

In spite of challenges on Foreign exchange variation the Company is going ahead in completing all the projects on hand to reach the landmark sales by next year. The Management is of view to merge the Barium unit into parent company for strategic and fiscal reasons.

SUBSIDIARY

Sl. No.	Name & Address of the Subsidiary	CIN/GLN	Holding/Subsidiary/ Associate Company	% of shares held	Applicable section
1.	Vishnu Hong Kong Limited 23/F B07 Hover Industrial Building No. 26-38, Kwai Cheong Road, Kwai Chung N.T. Hong Kong	No. 2164536	Wholly Owned Subsidiary	100%	2(87)(ii)
2.	Vishnu Barium Private Limited (Formerly Solvay Vishnu Barium Private Limited) 6-3-662/B/4, 3 rd Floor, Sri Sai Nilayam, Sangeetnagar Colony, Somajiguda, Hyderabad – 500082	U24120TG2001PTC 036807	Wholly Owned Subsidiary	100%	2(87)(ii)

DIRECTORS

Your Company has 6 (Six) Directors consisting of 2 (Two) Promoter and Executive Directors (Chairman & Managing Director and Jt. Managing Director), 1 (One) Promoter and Non-Executive Director and 3 (Three) Independent Directors, as on March 31, 2016.

DIRECTORS RESIGNATIONS

During the period under review, Dr. S. Chandrasekhar resigned from the Board of Directors of the Company w.e.f. 20.05.2015, however he is reappointed as Director with effect from 13.08.2015.



CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Smt. Ch. Manjula, Director of the Company retires by rotation and being eligible offers herself for re-appointment. The Board of Directors of the Company has appointed Dr. S. Chandrasekhar (DIN: 00481481), as an Additional Director, at their meeting held on 13.08.2015 and his office as Additional Director will be ceased at the ensuing Annual General Meeting. The proposal for appointment of Dr. S.Chandrasekhar, as Independent Director is being placed before the shareholders for approval, the relevant details are forming part of the AGM notice.

COMPANY SECRETARY

The Company has appointed Ms. Shruti Gupta, Associate Member (A31313) of The Institute of Company Secretaries of India, New Delhi as the full time Company Secretary and Compliance Officer and also designated as Key Managerial Personnel of the Company with effect from 16.03.2016 and the same was approved by the Board at their meeting held on 16.03.2016, in place of Sri L. Narasimha Rao.

DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE- APPOINTMENT, IF ANY

In compliance of sub-section (7) of Section 149 of the Companies Act, 2013, all the Independent Directors of the Company have submitted their declarations stating that, they meet the criteria of independence as provided in sub-section (6) of Section 149 of the above said Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

CORPORATE GOVERNANCE –LISTING REGULATIONS

A separate Section on Corporate governance with a detailed compliance report thereon is annexed to the Annual Report. The Practicing Company Secretary's Certificate with respect to compliance with the provisions of Corporate Governance, as required by Regulations 34 and other Regulations of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, is also annexed.

DIVIDEND

During the year under review, the Board of Directors had declared and paid an interim dividend of Re.1.00 per equity share of Rs.10/- each (10%) for the financial year 2015-16. The Interim dividend declared above is treated as final Dividend for the year 2015-16.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013, an amount of Rs. 2,44,775/- being unclaimed dividend pertaining to the financial year 2007-08 was transferred to the Investor Education and Protection fund (IEPF) on 23 December, 2015.

FIXED DEPOSITS

Your Company has not accepted any deposits covered by the provisions of Section 73 of the Companies Act, 2013 and the Rules framed there under.

INDUSTRIAL RELATIONS

Your Directors are happy to report that the Industrial Relations have been extremely cordial at all levels throughout the year. Your Directors record their appreciation for sincere efforts, support and co-operation of all employees being extended from time to time to accelerate the growth of the Company.

AUDITORS

The statutory Auditors, M/s C K S Associates, Chartered Accountants (Firm registration No. 007390S) have expressed their unwillingness, who pre-occupied with other audits for re-appointment as the auditors of the Company and so it is proposed to appoint M/s. Jampani & Associates, Chartered Accountants (Firm Registration No. 016581S) in their place for a term of five years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting for the year 2021, subject to ratification by the Members at each Annual General Meeting. Written confirmation has been received from the proposed Auditors regarding their eligibility and consent to accept the assignment as Statutory Auditors of the company, if appointed.

**AUDITOR'S REPORT****Auditors Observations:**

The Auditors have mentioned in their report annexed as point 7.1 that there is Rs.267.92 Lakhs of entry Tax outstanding as at the last day of the financial year under audit for a period of more than six months from the date it became payable.

Management Replies:

The company has filed Special Leave Petition (Civil) before the Hon'ble Supreme Court of India along with other assesses in this regard and will act based on the decision of the Hon'ble Supreme Court.

COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013, the Central Government has prescribed Cost Audit of the company. Based on the recommendations of the Audit Committee M/s. N.V.S Kapardhi (Firm Regn. No. 100231), Cost Accountants, Hyderabad were re-appointed as Cost Auditors of the Company for the year 2016-17.

SHARE CAPITAL

The Paid Up Equity and Preference Share Capital as on March 31, 2016 was Rs.59.44 Crore. During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity nor made any provision of money for purchase of or subscription for, shares in the Company, if the purchase of, or the subscription for, the shares by trustees is for the shares to be held by or for the benefit of the employees of the company as provided in the rules of Companies (Share Capital and Debentures) Rules, 2014. As on March 31, 2016, the Directors of the Company hold equity shares and 7% Redeemable Preference shares of the Company as below:

Sl. No.	Name of the Director	Details of shares held and Percentage			%
		Equity Shares in Nos.	%	7% Redeemable Preference shares in Nos.	
1	Sri Ch. Krishna Murthy	6219790	52.07	44100000	92.84
2	Smt. Ch. Manjula	1614048	13.51	3250000	6.84
3	Sri Ch. Siddartha	1125668	9.42	150000	0.32
	Total	8959506	75.00	47500000	100.00

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Five meetings of the Board of Directors were held during the period under review and further details are set out in the Corporate Governance Report forming part of the Director's Report.

AUDIT COMMITTEE

Four meetings of the Audit Committee of Directors were held during the period under review and further details are set out in the Corporate Governance Report forming part of the Director's Report.

INDEPENDENT DIRECTOR'S MEETING

The performance of the members of the Board, the Board Level Committees and the Board as a whole were evaluated at the meetings of the independent Directors held on 20.05.2015.



DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Your Company recognizes the value of transparency and accountability in its administrative and management practices. The Company promotes the ethical behavior in all its business activities. The Company has adopted the Whistle Blower Policy and Vigil Mechanism so as to provide a mechanism for the Directors and employees of the Company to approach Audit Committee of the Company to report existing/probable violations of laws, rules, regulations or unethical conduct.

POLICY ON SEXUAL HARASSMENT

Company had adopted policy on Prevention of Sexual Harassment of Women at workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

NOMINATION AND REMUNERATION COMMITTEE

Your company has a Nomination and Remuneration Committee and further details are set out in the Corporate Governance Report forming part of the Director's Report

The Board has, on the recommendation of the Nomination & Remuneration Committee formed a policy for selection and appointment of Directors, Key Managerial Persons, Senior Management and their remuneration.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements the audited consolidated financial statements are provided in the Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and also to the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions are placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 disclosed in Form No. AOC -2 and is annexed to this report as Annexure.

RISK MANAGEMENT POLICY

Your Company has a Risk Management Policy and framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Companies Act 2013 and The Companies (Appointment and Remuneration of



Managerial Personnel) Rules, 2014, your Company had appointed M/s L.D. Reddy & Co., Practicing Company Secretaries, Hyderabad as its Secretarial Auditors to conduct the secretarial audit of the Company for the financial year 2015-16. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the financial year 2015-16 is annexed to this report as Annexure.

Secretarial Audit observations

- i. There were delays in the payment of wages to the employees before the due date as per payment of Wages Act, 1936.
- ii. All statutory payments like Service tax, Income tax, Professional Tax, Entry Tax, PF, ESI, VAT, TDS, Self Assessment Tax, Excise Duty etc. are paid with delay as per the provisions of the relevant Acts.
- iii. The policy on Sexual Harassment of women is not updated on the Company Website.

Management replies:

- i. The payment of wages to employees are up-to-date. However, the Company is taking all possible steps to pay the wages within the stipulated time.
- ii. The Company is taking all possible steps to pay the statutory dues within the stipulated time
- iii. The Company had adopted a policy on sexual Harassment of woman at work place and the same is now updated on the company website.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, Directors of your Company here by State and confirm that :

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial statement. The board is of the considered opinion that the internal financial controls that are so laid out are adequate and are operating effectively.

EXTRACT OF THE ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013,



read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2016 forms part of this report as Annexure.

QUALITY

Your Company accords high priority to quality, safety, training, development, health and environment. The Company endeavours to ensure continuous compliance and improvements in this regard.

INSURANCE

All the properties and insurable assets of the Company, including Building, Plant and Machinery, stocks etc., wherever necessary and to the extent required, have been adequately covered under insurance.

LISTING OF COMPANY'S SECURITIES

Your Company's shares are currently listed on BSE Limited, Ahmedabad Stock Exchange Limited and National Stock Exchange of India Limited.

DEMATERIALIZATION OF SHARES

Your Company's shares have been made available for dematerialization through the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as Annexure.

STAKEHOLDER'S RELATIONSHIP COMMITTEE

Your Company has a Stakeholders' Relationship Committee and further details are set out in the Corporate Governance Report forming part of the Directors' Report

The committee will monitor expeditious redressal of investors / stakeholders grievance relating to non-receipt of annual report, notices, non-receipt of declared dividend, change of address for correspondence etc, and to monitor action taken.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

EQUITY SHARES IN THE SUSPENSE ACCOUNT

Your Company is not having any shares lying in the suspense accounts in terms of Clause 5A(I) and Clause 5A(II) of the Listing Agreement.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as Annexure .



PARTICULARS OF EMPLOYEES

The percentage of increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (Rs. in lakhs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Sri. Ch. Krishna Murthy Chairman & Managing Director	66,00,000	10%	26.57	Profit before Tax increased by 18.82% and Profit After Tax increased by 18.84 % in financial Year 2015-16
2	Sri. Ch. Siddartha Joint Managing Director	48,00,000	14.29%	19.99	
3	Sri. T. Ramakrishna C F O	20,40,000	-	8.50	
4.	Sri. B.S. Harikrishna Company Secretary resigned on 30.06.2015	90,000	-	-	
5	Sri. L. Narasimha Rao Company Secretary resigned on 12.11.2015	7,13,333	-	-	
6.	Ms. Shruti Gupta Company Secretary appointed on 16.03.2016	10,065	-	-	

The details of the persons employed throughout the financial year and in receipt of Rs.60 lakhs or more, or employed for part of the year and in receipt of Rs.5 lakhs or more a month, under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (Rs. in lakhs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Sri. Ch. Krishna Murthy Chairman & Managing Director	66,00,000	10%	26.57	Profit before Tax increased by 18.82% and Profit After Tax increased by 18.84 % in financial Year 2015-16



ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their deep and sincere gratitude to the Bankers, Financial Institutions, Customers and Suppliers for their unstinted and continued support to the Company. Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz., Customers, Banks, Members, Dealers, Vendors and other business partners for the excellent support received from them during the year.

The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

By Order of the Board

Place: Hyderabad
Date : 06.08.2016

Sd/-
Ch. Manjula
Director

Sd/-
Ch. Krishna Murthy
Chairman & Managing Director



ANNEXURE TO DIRECTORS REPORT

Information Under Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules 2014 and forming part of Directors Report.

A. CONSERVATION OF ENERGY:

This is one of the core areas for the Management for sustainability by always conserving the energy or by alternative cheap source of energy.

For example the Company shifted to Furnace oil from Kerosene thus there is a saving of 50% in production of COG on energy front.

High pressure steam is used for power generation and Low back pressure steam is used for Thermal application.

Pneumatic Conveying System is Converted to Mechanical Conveying to save power.

All the furnace back end temperatures are used for drying application.



Form for disclosure of particulars with respect to conservation of energy.

		2015-16	2014-15
A	Power and Consumption		
1.	Electricity:		
a)	Purchased		
	Units	Nos. 3,75,00,768	3,29,07,255
	Total Amount	Rs. 24,94,35,917	19,45,55,919
	Rate/Unit	Rs. 6.65	5.91
b)	Own Generation		
	Units	KWH 1,18,159	1,61,615
	Total Amount	Rs. 22,24,867	28,45,839
	Unit per Litre of Diesel Oil	Rs. 2.23	3.21
	Cost / Unit (Variable)	Rs. 18.83	17.61
2.	Coal\Husk		
	Quantity "C" used in Boiler for Steam Generation	MTs 27,125.50	25,675
	Total Cost	Rs. 9,71,95,174	10,75,36,038
	Average Rate \ Tone	Rs. 3,583	4,188
CONSUMPTION PER UNIT OF PRODUCTION			
Products :			
1.	Sodium Bichromate		
2.	Basic Chrome sulphate		
	Electricity (KWH)\Diesel	Units 408.17	397.38
	Coal\Husk	MTs 0.30	0.31

B. TECHNOLOGY ABSORPTION

- (i) the efforts made towards technology absorption;

The company has made so many efforts on Thermal decomposition of Sodium Sulphate to Sodium Sulphide with different temperatures and found optimum temperature. The project was taken on pilot scale and made it successful. The quality of the product is also very good. Once we take up this on plant scale there will be additional value addition in value chain and contribute for profits.

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

The particle size analyzer was installed in plant and with this all the products particle sizes was closely monitored for better performance and better distribution of particle size. Now the company is having world class laboratory facilities.

RESEARCH AND DEVELOPMENT

Our Sodium Dichromate was forming slight lumps after packing at the receiving end of customer. For this we tried various additives and found suitable additive to avoid lumps.

Some of the overseas buyers wants free flow Barium Carbonate for their application whereas our material was not free flow. Hence after intensive study our R&D team found a suitable additive for the product.



EXPENDITURE INCURRED

The Company has not incurred any direct and specific expenditure during the year for the R&D activities.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Total Foreign Exchange collected is Rs. 16,468.05 lakhs and spent is Rs.12,377.42 lakhs during the year

OTHERS

The Annual Report of the Company shall contain a declaration in respect of the Code of Conduct for all Board Members and Senior Management of the Company, signed by the Chairman & Managing Director.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

In alignment with its vision, as a socially responsible corporate citizen, VCL will continue to enhance value creation in the society and community in which it operates. Through its conduct, services, and CSR initiatives it will strive to promote sustained growth in the surrounding environs. To operate its business in a sustainable manner respecting the society & the environment, while recognising the interests of all its stakeholders.

To also take up directly or indirectly programmes that will benefit the communities in and around its work place which will over a period of time enhance the quality of life and economic wellbeing of the local residents. Through its regular services and additionally through its CSR initiatives, VCL will generate community goodwill and create a positive image of VCL as a socially responsible corporate.

To pursue these objectives we will continue to:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animals welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for Socio-Economic Development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minority and women;
- Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural Development Projects



1	The Composition of the CSR Committee	1. Sri Ch. Krishna Murthy 2. Smt. Ch. Manjula 3. Sri U. Dileep Kumar
2	Average net profit of the company for last three financial years	Rs.1966.02 Lakhs.
3	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs.39.32lakhs
4	Details of CSR spent during the financial year.	
	a. Total amount spent during the financial year	Rs.19.79 lakhs
	b. Amount unspent, if any	Rs.19.53 Lakhs*

*. In the process of identifying the most deserved areas / people, the Company could not spend Rs. 19.53 lakhs (previous year – Rs. 13.94 Lacs) during the period under review and unspent amount will be carried forward and spent next year.



Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (in Lakhs)	Amount spent on the projects or programs Sub – heads:(1) Direct expenditure on projects or programs (2) Overheads (in Lakhs)	Cumulative expenditure upto to the reporting period (in Lakhs)	Amount spent : Direct or through implementing agency* (in Lakhs)
1	Provided Bore Connections	Provision of Drinking Water	Persepalli, Krishna Dist, AP	6.00	0.61	2.56	2.56
2	Centre for Training and Research Development	Promotion of education	Visakhapatnam Dist	10.00	6.30	11.09	11.09
3	Green Vishaka Project-Plants provided	Environmental sustainability	Vizag, Visakhapatnam Dist Andhra Pradesh	2.32	1.88	4.50	4.50
4	Contribution for Swatch Bharat Mission	Swatch Bharat Mission	Visakhapatnam & Srikalahasti of AP & Telangana	21.00	11.00	11.00	11.00
				39.32	19.79	29.15	29.15

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company, is reproduced below:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

Sd/-
U.Dileep Kumar
Chairman of the Committee

Sd/-
Ch. Krishna Murthy
Member of the Committee



Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
as at the Financial Year Ended on 31.03.2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- : L85200TG1993PLC046359
- ii) Registration Date : 15.01.1993
- iii) Name of the Company : VISHNU CHEMICALS LIMITED
- iv) Category/Sub-Category of the Company : Public Limited Company
- v) Address of the Registered office and contact details : 6-3-662/B/4, 2ND Floor, Sri Sai Nilayam, Sangeetnagar Colony, Somajiguda, Hyderabad 500082, Telangana
- vi) Whether listed company Yes/No : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Bigshare Services Pvt Ltd
306, 3rd Floor, Right Wing, Amrutha Ville,
Opp: Yashoda Hospital, Raj Bhavan Road,
Somajiguda, Hyderabad, Telangana – 500082
Tel: 040-23374967, Fax: 040-23370295
Email: bsshyd@bigshareonline.com
Website: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Basic Chromium Sulphate	24117	44.40%
2	Sodium Bichromate	24117	34.48%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	Vishnu Hong Kong Limited 23/F B07 Hover Industrial Building No. 26-38, Kwai Cheong Road, Kwai Chung N.T. Hong Kong	No. 2164536	Wholly Owned Subsidiary	100%	2(87)(ii)
2.	Vishnu Barium Private Limited (Formerly Solvay Vishnu Barium Private Limited) 6-3-662/B/4, 3 rd Floor, Sri Sai Nilayam, Sangeetnagar Colony, Somajiguda, Hyderabad – 500082	U24120TG2001PTC036807	Wholly Owned Subsidiary	100%	2(87)(ii)



IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Shares	%
A. Promoters										
1) Indian										
g) Individual/ HUF	8959506	-	8959506	75.00	8959506	-	8959506	75.00	-	-
h) Central Govt	-	-	-	-	-	-	-	-	-	-
i) State Govt(s)	-	-	-	-	-	-	-	-	-	-
j) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
k) Banks / FI	-	-	-	-	-	-	-	-	-	-
l) Any Other	-	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	8959506	-	8959506	75.00	8959506	-	8959506	75.00	-	-
(2) Foreign										
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)										
Total shareholdings of Promoter (A) = (A)(1)+(A)(2)	8959506	-	8959506	75.00	8959506	-	8959506	75.00	-	-
B. Public Shareholdings										
I. Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks / FI	200	-	200	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	200	-	200	-	-	-	-	-	-	-



2. Non-Institutions										
a) Bodies Corp.										
i) Indian	366667	6875	373542	3.13	335531	6875	342406	2.87	(31136)	(0.26)
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital up to Rs.2 lakh	1383268	206199	1589467	13.31	1257906	186729	1444635	12.08	(144832)	(1.22)
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	737629	--	737629	6.17	893246	--	893246	7.48	155617	1.30
c) Others-NRIs/OCBs	198679	42240	240919	2.02	161509	42240	203749	1.71	(37170)	(0.31)
Clearing members	44757	--	44757	0.37	102478	--	102478	0.86	57721	0.49
Sub-total (B)(2):-	2731000	255314	2986314	25.00	2750670	235844	2986514	25.00	--	--
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2731200	255314	2986514	25.00	2750670	235844	2986514	25.00	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	11690706	255314	11946020	100.00	11690706	255314	11946020	100.00	--	--

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	%of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	Sri Ch. Krishna Murthy	6219790	52.07	82.30	6219790	52.07	63.16	--
2	Smt. Ch. Manjula	1614048	13.51	53.99	1614048	13.51	1.33	--
3	Sri Ch. Siddartha	1125668	9.42	--	1125668	9.42	--	--
	Total	8959506	75.00	66.86	8959506	75.00	44.08	--


(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	8959506	75.00	8959506	75.00
	Datewise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/ bonus/ sweat equityetc):	—	—	—	—
	At the End of the year	8959506	75.00	8959506	75.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Kaza Venkata Rao	117514	0.98	-	-
2	Martin and Harris Private Limited	92500	0.77	-	-
3	Rajesh Vijay Vargiya	81065	0.68	-	-
4	Prakash Chand	76000	0.64	76000	0.64
5	Vijayalakshmi Adusumalli	75242	0.63	75242	0.63
6	Harry Hassomal Mohinani	70000	0.59	70000	0.59
9	Adusumilli S Chandrabose	55000	0.46	55000	0.46
8	Padma Attal	75738	0.63	66785	0.56
9	Radhika Soni	69915	0.59	-	-
10	Anuj Shah	90900	0.76	-	-
11	Ashishkacholia	-	-	398523	3.34
12	Nirmal bang commodities private limited	-	-	100000	0.84
13	Sushmita Ashish Kacholia	-	-	67346	0.56
14.	Suresh Bhatia	-	-	50833	0.43
15.	Sanghvi Preeti Gaurav	-	-	50000	0.42

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sri T. Rama Krishna – CFO	19117	0.16%	19117	0.16%
2	Ms. Shruti Gupta – C S	0	0.00%	0	0.00%


V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in lakhs)

Description	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16392.16	1317.22	NIL	17709.38
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	16392.16	1317.22	NIL	17709.38
Change in Indebtedness during the financial year				
• Addition	3692.42	0.00	NIL	3692.42
• Reduction	86.18	95.44	NIL	1538.61
NetChange	2249.25	(95.44)	NIL	2153.81
Indebtedness at the end of the financial year				
i) Principal Amount	18641.41	1221.78	NIL	19863.19
ii) Interest due but not paid	86.18			
iii) Interest accrued but not due				
Total(i+ii+iii)	18727.59	1221.78	NIL	19949.37

VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Shri Ch. Krishna Murthy, Chairman & Managing Director	Shri Ch. Siddartha, Whole-time Director	
1.	Grosssalary			
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	66,00,000	48,00,000	1,14,00,000
	(b) Value of per quisitesu/s17(2) Income-taxAct, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary undersection17(3) Income- tax Act, 1961	NIL	NIL	NIL
2.	StockOption	—	—	—
3.	SweatEquity	—	—	—
4.	Commission			
	- as%ofprofit	—	—	—
	- others,specify...	—	—	—
5.	Others,pleasespecify	—	—	—
	Total(A)	66,00,000	48,00,000	1,14,00,000


B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Sri U. Dileep Kumar	Dr. S. Chandra-sekhar	Sri T.S. Appa Rao	
1.	Independent Directors				
	• Fee for attending board & Committee meetings	240000	180000	140000	560000
	• Commission	—	—	—	—
	• Others, please specify	—	—	—	—
	Total (1)	240000	180000	140000	560000
2.	Other Non-Executive Directors				
	• Fee for attending board committee meetings	—	—	—	—
	• Commission	—	—	—	—
	• Others, please specify	—	—	—	—
	Total (2)	—	—	—	—
	Total(B)=(1+2)	240000	180000	140000	560000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl.no.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary*	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961	20,40,000	8,13,398	28,53,398
	(b) Value of perquisites u/s17(2) Income-tax Act,1961	—	—	—
	(c) Profits in lieu of salary under section17(3) Income-tax Act,1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission- as% of profit-others, specify...	—	—	—
5.	Others,please specify	—	—	—
	Total	20,40,000	8,13,398	28,53,398

Sri L. Narasimha Rao, Company Secretary resigned with effect from 12th Nov, 2015 and Ms. Shruti Gupta was appointed as Company Secretary on 16th March, 2016

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			Nil		
Compounding					



FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vasantha Transport Corporation Chairman & Managing Director of the Company is a Proprietor of the said firm.
b)	Nature of contracts/arrangements/transaction	Availing transport services and to take on contract the trucks of the said firm.
c)	Duration of the contracts/arrangements/transaction	Five years w.e.f. 30.09.2014
d)	Salient terms of the contracts or arrangements or transaction including the value, if any trucks at prevailing market	Availing transport Services and to take on contract the prices for five years for a total contract value not exceeding Rs. 14.00 Cr. p.a.
e)	Date of approval by the Board	9 th August 2014
f)	Amount paid as advances, if any	290.38 lakhs



3. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vishnu Life Sciences Ltd. Promoter and Whole Time Director of the Company are major Shareholder (99%) of the above said Company.
b)	Nature of contracts/arrangements/transaction	Taking of factory premises including furniture and fittings on lease basis.
c)	Duration of the contracts/arrangements/transaction	Five years w.e.f. 30.09.2014
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Taking of factory premises including furniture and fittings on lease basis for a period of five years @ Rs. 6.00 Lacs p.a.
e)	Date of approval by the Board	9 th August 2014
f)	Amount paid as advances, if any	Nil

4. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	K.M.S. Infrastructure Ltd. Chairman & Managing Director and Promoter Director of the Company are the majority Directors and Shareholders (80%) of the above said Company.
b)	Nature of contracts/arrangements/transaction	Availing services relating to civil constructions and related services.
c)	Duration of the contracts/arrangements/transaction	Five years w.e.f. 30.09.2014
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Availing services relating to civil constructions and related services from time to time on prevailing market prices for a period of five years.
e)	Date of approval by the Board	9 th August 2014
f)	Amount paid as advances, if any	Nil

By Order of the Board

Place: Hyderabad
Date : 06.08.2016

Sd/-
Ch. Manjula
Director

Sd/-
Ch. Krishna Murthy
Chairman & Managing Director



Secretarial Audit Report

For the Financial Year Ended 31-03-2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Board of Directors
M/s. Vishnu Chemicals Limited
6/3/662/B/4. IInd Floor, Sri Sai Nilayam Sangeet
Nagar Colony, Somajiguda, Hyderabad ,
Telangana -500082

We have conducted the Secretarial Audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Vishnu Chemicals Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period ended on 31-03-2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Vishnu Chemicals Limited** (“**The Company**”) for the financial year ended on 31-03-2016 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) :
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines , 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



- i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. The Payment of Wages Act, 1936
- vii. Minimum Wages Act, 1948
- viii. Employees Provident Fund And Misc. Provisions Act, 1952
- ix. Employees State Insurance Act, 1948
- x. Payment of Gratuity Act, 1972
- xi. Workmen's Compensation Act, 1923
- xii. Contract Labour (Regulation & Abolition) Act 1970
- xiii. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- xiv. Income Tax Act, 1961
- xv. Telangana Value Added Tax
- xvi. Finance Act , 1944(Service Tax)
- xvii. The Insurance Act, 1938 [AS AMENDED BY INSURANCE (AMENDMENT) ACT, 2002]
- xviii. The Factories Act, 1948 and Andhra Pradesh Factories Rules 1980
- xix. Water (Prevention & Control of Pollution) Act 1974 and rules there under
- xx. Air (Prevention & Control of Pollution) Act 1981 and rules there under
- xxi. The Environment (Protection) Act, 1986
- xxii. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
- xxiii. Customs Act, 1962
- xxiv. Central Excise Act, 1944
- xxv. Newspaper Publications
- xxvi. Electricity Act 2003
- xxvii. Service tax
- xxviii. Andhra Pradesh Shops and Establishments Act, 1988
- xxix. The Boilers Act, 1923 and Indian Boilers Regulations - 1950
- xxx. The Petroleum Act, 1934 and Petroleum Rules, 2002
- xxxi. HMC Act, 1955

We have also examined compliance with the applicable clauses of the following:

- xxxii. The Listing Regulations entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and Ahmedabad Stock Exchange Ltd.

During the period under review the Company has complied with the provisions of the Act Rules, Regulations, Guidelines and Standard etc., mentioned above subject to the following observations.

- We noticed that there were delays in the payment of wages to the employees before the due date as per Payment of Wages Act, 1936.
- All Statutory payments like Service Tax Income Tax, Professional Tax, Entry Tax, PF, ESI, VAT, TDS, Self-Assessment Tax, Excise Duty etc., are paid with delay as per the provisions of the relevant Acts.
- The policy on Sexual Harassment of women at work place is not updated on the Company Website.



2. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
- Closure of the Register of Members.
 - Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act
 - Minutes of proceedings of General Meetings and of the Board and its Committee Meetings;
 - Approvals of the Members, the Board of Directors, the Committees of Directors and the Government Authorities, wherever required;
 - Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;
 - Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
 - Appointment and remuneration of Statutory Auditor, Cost Auditor
 - Declaration and payment of Dividends;
 - Borrowings and registration, modification and satisfaction of charges wherever applicable;
 - Investment of the Company's funds including investments and loans to others;
 - Format of Balance Sheet and statement of Profit and Loss is as per Schedule VI to the Income tax Act
 - Report of the Board of Directors;
 - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
3. We further report that:
- The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited;
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013; including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
 - There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.



4. We further Report That:
 - The Company is paying wages to all employees as per the provisions of Minimum Wages Act, 1948 and The Payment of Wages Act, 1936
 - The Company has obtained consent of Telangana State Pollution Control Board, as per the provision of Water (Prevention & Control of Pollution) Act, 1974 and ;
 - The Company is regular in paying all statutory dues like PF, ESI, Sales tax, VAT, Service tax, etc.
 - The company is regular in payment of gratuity as per the rules of the Payment of Gratuity Act, 1972 and has provided 100% provision in the books of accounts.
 - The Company has filed return as per The Factories Act, 1948.
 - The company is regular in publishing Audited and Unaudited Financial Result.
 - The Company has renewed the Insurance Policy under Employees State Insurance Act, 1948
 - The Company has filed return under Employment Exchange Act/Rules
 - The Company has renewed the Policy with LIC for Gratuity under Payment of Gratuity Act, 1972
 - The Company Website is well acquainted with all Statutory required information.
5. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. **We further Report that** during the audit Period the Company has taken the following major decisions
 - i. Vishnu Barium Private Limited (formerly known as Solvay Vishnu Barium Private Limited) became Subsidiary of the company
 - ii. Invested in Vishnu Hong Kong Limited (Wholly owned Subsidiary Company), Vishnu Barium Private Limited (Wholly owned Subsidiary Company) .
 - iii. Interim Dividend is declared.

Place : Hyderabad
Date : 06.08.2016

For L.D.Reddy & C o.,
Company Secretaries

Sd/-
L. Dhanamjay Reddy
(Proprietor)
CP. No.3752



MANAGEMENT DISCUSSION AND ANALYSYS REPORT

a. Industry Structure and Developments.

Our Industry worldwide is a niche Industry with marginal growth but advantage to our company is shifting of market to Asian countries from West in view of growth in the market. As an alternative source all the customers are importing 30% to 40% as there are no strong players in this field other than our company.

On Government side once GST is implemented our Company will have an advantage over small players as all the taxes are Vatable. Hence the present exemptions that are being enjoyed by small players will not be extended.

During the current year in view of decline in the international oil prices and other energy prices the outlook for our industry is good as energy cost is 25% of total variable cost, further all other solvents are available at discounted prices and ocean freight is also are on lower side.

b. Opportunities and Threats.

The opportunities for our products in India are because of increasing GDP growth rate. Our Industry is growing at 4% average in India and in abroad it is shifting from West to Asia. The potential threat is mainly difference in currency fluctuation.

c. Segment-wise or product-wise performance.

(Rs. in Lakhs)

Particulars	2015-16	2014-15
Sodium Bichromate	17,077.47	14,187.89
Basic Chromium Sulphate	21,995.33	21,914.08

d. Outlook

In view of the process improvements and investments in co-products the customer base and industry base is expanding. Further the de-bottlenecking is completed and can reach full production by 2017

e. Risks and concerns.

Your Company has one of the competent manufacturing facilities in the world. Therefore, there is no risk in short-term or long-term. We are always upgrading our technologies and product mix in accordance with market requirements. Environmental management is one of the challenges but achievable

f. Internal control systems and their adequacy.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. The Internal Audit function reports to the Chairman of the Audit Committee of the Board to maintain its objectivity and independence,.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action step in their respective areas and thereby strengthen the controls. Significant audit observations and corrective action plan thereon are presented to the Audit Committee of the Board.

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.



- g. Discussion on financial performance with respect to operational performance.

The operational performance is important for an industry on material cost surplus, co-efficiency will make all changes in financial nos. There is always areas and scope in operational performance improvement. For example, the one grade and quality sources energy utilisation and process parameter will make direct contribution to profitabilities.

For example, during the year under review, production increased by 17.03% and profit increased by 18.85% compared to previous year. In the other areas such as operating expenses, interest, sales expenses, there will not be much scope for reduction. Therefore, entire matrix is in raw material consumption and quantity with minimisation of waste will have further scope in reduction of cost.

- h. Material developments in Human Resources / Industrial Relations front, including number of people employed.

There is no increase in number of people except replacement of any resignation/retirements. During the year no strikes or lock-outs and the industrial relations are being maintained cordial. Your Company announced a loyalty bonus for every year of completion of service.


REPORT ON CORPORATE GOVERNANCE
Brief statement on company's philosophy on Code of Governance

The Company's philosophy on Corporate Governance is to conduct its business in a manner, which is ethical and transparent with all stakeholders in the Company, including shareholders, lenders, creditors and employees. This objective is achieved by adopting corporate practices based on principles of transparency, accountability, fairness and integrity to create long term sustainable value for all its stakeholders.

During the period under review, the Company is in compliance with Regulations 34 and other Regulations of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance.

1. BOARD OF DIRECTORS

The Company has an Executive Chairman. The Chairman along with the Joint Managing Director manages the day-to-day affairs of the Company. The Board of the Company has a combination of Two Executive Directors comprising 33% of the Board and Four Non-Executive Directors comprising 67% of the Board as on 31st March 2016.

a. Composition and category of Directors as on 31st March 2016.

Category	Name of Directors
Promoter Directors	Sri Ch. Krishna Murthy, Chairman & Managing Director, Smt. Ch. Manjula, Director, Sri Ch. Siddartha, Whole Time Director
Independent Directors	Sri U. Dileep Kumar, Dr. S. Chandra Sekhar & Sri T.S. Appa Rao

Smt. Ch. Manjula is the spouse of Sri Ch. Krishna Murthy and Sri Ch. Siddartha is his son. None of the other Directors are related to any other Director on the Board.

All the Directors on the Board of the Company have made necessary declarations / disclosures regarding their other Directorships along with Committee positions held by them in other Companies.

b. Attendance of each Director at the Board meetings held during the year 2015-16 and at the last Annual General Meeting.

Name of the Director	Designation	Meetings held during the tenure	Meetings Attended	Last AGM 29.06.2015
Sri. Ch. Krishna Murthy	Chairman & Managing Director	5	5	Yes
Smt. Ch. Manjula	Director	5	5	No
Sri. Ch. Siddartha	Whole Time Director	5	4	Yes
Sri. U. Dileep Kumar	Independent Director	5	5	Yes
Dr. S. Chandrasekhar*	Independent Director	3	3	No
Sri T.S. Appa Rao	Independent Director	5	4	No

* Dr. S. Chandrasekhar appointed by the Board at their meeting held on 13.08.2015.

c. No. of other Boards / Board Committees in which the Directors are either Member or Chairman during the year 2015-16.

Name of the Director	Boards		Committees	
	Chairman	Member	Chairman	Member
Sri Ch Krishna Murthy	Nil	1	Nil	Nil
Smt. Ch. Manjula	Nil	1	Nil	Nil
Sri Ch Siddartha	Nil	2	Nil	Nil
Sri. U. Dileep Kumar	Nil	Nil	Nil	Nil
Dr. S. Chandrasekhar	Nil	Nil	Nil	Nil
Sri T.S. Appa Rao	Nil	2	Nil	Nil



None of the Directors on the Board is a member in more than ten committees and they do not act as a Chairman of more than five committees across all companies in which they are Directors.

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is confirmed in the subsequent Board meeting. The Chairman & Managing Director is assisted by the Executive Director/ Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted Seven Standing Committees, namely Audit Committee, Banking Committee, Share Transfer Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee and Risk Management Committee. The Board constitutes additional functional committees, from time to time, depending on the business needs.

A minimum of four Board Meetings are held every year and they are usually held at the Registered Office of the Company. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. Notices of Board Meetings were sent to the Directors as required under Section 173 of the Companies Act, 2013 well in advance. The Agenda along with the explanatory notes are sent in advance to the Directors. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company.

Five Board Meetings were held since 31.03.2015 (closure of last financial year) up to 31.03.2016 (closure of this financial period under review) and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the Board Meetings were held were as follows:

Quarter	No. of Meetings	Dates on which held
Apr-Jun	1	20.05.2015
Jul-Sep	1	13.08.2015
Oct-Dec	1	12.11.2015
Jan-Mar	2	14.02.2016 & 16.03.2016

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including The Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India. The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to the Board/ Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting. The Company Secretary attends all the meetings of the Board and its Committees, advises / assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

2. AUDIT COMMITTEE

The Audit Committee was formed with qualified and independent and executive members of the Board of the Company.

a. Brief description of terms of reference

The terms of reference of the Audit Committee is in conformity with the provisions of Regulations 18 of Listing Regulations entered with the BSE Ltd., The Ahmedabad Stock Exchange Ltd and National Stock Exchange of India Ltd which inter alia, includes the following.

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;



- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft Audit Report;.

b. Composition, name of members and Chairman and attendance:

During the year the audit committee met 4 (Four) times and following is the attendance of the members.

Name of the Director	Position Held	No. of Meetings attended
Sri. U. Dileep Kumar	Chairman	4
Dr. S. Chandrasekhar*	Member	3
Sri Ch. Siddartha	Member	4
Sri T.S. Appa Rao	Member	3

* Dr. S. Chandrasekhar, Director of the Company was appointed in the Board Meeting held on 13.08.2015 and the Audit committee was re constituted by inducting Dr. S. Chandrasekhar as member of the committee.

The following business was conducted during the year.

- Review of quarterly financial statements.
- Review of internal control systems with reference to the audits conducted by the internal auditors.
- Review of Appointment of Directors and Key managerial persons.
- Review of annual financial statements for the year 2015-16.
- Review of related party disclosures by the Directors.
- Review of Business performance of the company.


3. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee consists of Three Independent Directors.

Name of the Director	Position Held
Sri. U. Dileep Kumar	Chairman
Dr. S. Chandrasekhar	Member
Sri T.S. Appa Rao	Member

During the year the Nomination & Remuneration Committee met 2 (Two) times and following is the attendance of the members.

Name of the Director	No of Meeting held during the tenure	No of Meeting attended
Sri. U. Dileep Kumar	2	2
Dr. S. Chandrasekhar	2	2
Sri T.S. Appa Rao	2	1

a. Terms of Reference

The Company specifically looks into the remuneration payable to Executive Directors and other Key Managerial persons of the Company.

b. Composition, Name of Members and Chair Person

- i) Sri. U. Dileep Kumar - Chairman
- ii) Dr. S. Chandrasekhar - Member
- iii) Sri T.S. Appa Rao - Member

c. Remuneration Policy

The Remuneration Committee of Board of Directors of the Company generally decides and makes recommendations to the Board of Directors about the remuneration to be paid to the Directors and other Key Managerial Persons of the Company. The remuneration recommendations about the remuneration of Directors are subject to the approval of the Members of the Company and the remuneration of the key managerial persons is to be recommended by the remuneration committee to the Board.

Details of remuneration to all the Directors, as per format in main report.

d. Remuneration of Executive Directors

The remuneration packages paid to the Executive Directors are fixed by the Board of Directors and approved by the Shareholders in the General Meetings. The remuneration was paid to the Executive Directors out of the profits of the company under Sections, 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013. The details of remuneration paid to the Directors are as under:

SI. No.	Name	Designation	Salary P.A. (Rs.)	Sitting Fee
1	Sri Ch Krishna Murthy	Managing Director	66,00,000	Nil
2	Sri Ch Siddartha	Whole-time Director	48,00,000	Nil



4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a. Terms of reference

The Committee shall specifically look into the redressing of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc.

b. Composition, Name of Members and Chair Person

- i) Smt. Ch. Manjula - Chairman
- ii) Sri Ch. Krishna Murthy - Member
- iii) Sri Ch. Siddartha - Member

The Committee was re-constituted in the Board Meeting held on 16.03.2016 with the above directors as the members of the Committee.

Stakeholders Relationship Committee Meeting along with Share Transfer committees meeting as and when required during the financial year 2015-16 and all the grievances received by the Company from the Members of the Company has been resolved by the Company.

c. Name and Designation of compliance officer

Ms. Shruti Gupta, Company Secretary and Compliance Officer (appointed w.e.f. 16.03.2016), is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges.

Sri. L. Narasimha Rao, was resigned and approved by the Board of Director at their meeting held on 12th November, 2015.

d. Prohibition of Insider Trading

With a view to regulate trading in securities by the Directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

e. Details of Shareholders Complaints

Number of shareholders' complaints received so far during the year – 20 (twenty) and all the complaints were resolved.

Nature of queries/complaints	Received	Resolved	Un-Resolved
Non-receipt of new share certificate	2	2	0
Non-receipt of annual report	2	2	0
Non-receipt of exchange share certificate	1	1	0
Non receipt of Dividend Warrants	10	10	0
Non Receipt of duplicate Share Certificate	1	1	0
Certificate SEBI	2	2	0
SEBI –email query	2	2	0
Total	20	20	0

f. No. of pending share transfer

All shares for which applications were received for transfer during the year, were transferred and no transfer was pending as on the date of 31.03.16.

**g. Reconciliation of Share Capital Audit**

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The said Certificate with regard to the same is submitted to BSE Limited, The National Stock Exchange of India Limited and Ahmedabad Stock Exchange Ltd, where the Company's shares are listed..

5. SHARE TRANSFER COMMITTEE

The members of Share Transfer Committee consist of Sri. Ch. Krishna Murthy and Smt. Ch. Manjula. The role, terms of reference, the authority and powers of the Share Transfer Committee are in conformity with the provisions of the Companies Act, 2013.

6. MANAGEMENT COMMITTEE

The Management Committee consists of Managing Director, Joint Managing Director and Non-Executive non-Independent Director. The roles and responsibilities of the Committee are to take decisions relating to banking matters i.e., proposals of opening, closing, change of authorized signatories etc., of Banks Accounts, availing of credit facilities from Banks and Financial Institutions. The minutes of Management Committee will be confirmed by the Board of Directors at their immediate next Meeting.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted at the Board Meeting held on 30th May, 2014. The Committee consists of two Executive Directors and one Independent Director. The Committee formulated and recommended the Board, a CSR Policy, amount of expenditure and monitored the Corporate Social Responsibility Policy. The Board at their meeting held on 16th March, 2016 considered the recommendations of the Committee. The activities undertaken by the company and amount spent towards the implementation of policy are given as part of annexure to Director Report.

8. RISK MANAGEMENT COMMITTEE

The members of Risk Management Committee are as follows:

1. Sri . Ch. Krishna Murthy
2. Smt. Ch. Manjula
3. Sri. Ch. Siddartha

The roles and responsibilities of the committee are to formulate and recommend to the Board, a risk management plan, recommend the amount of expenditure to be incurred on the activities referred to in clause and implementing and monitoring the risk management plan of the company from time to time

9. BOARD MEETINGS

Minimum four pre-Scheduled Board meetings are to be held annually. The Board meets at least once in every quarter to review the financial results, operations, markets, growth prospects and industry trends, etc. Notice of the Board meetings together with agenda are sent to all the Directors in advance. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. During the year under review 5 (Five) Board meetings were held.


10. ANNUAL GENERAL MEETINGS

a. The Details of Annual General Meetings of the company held during the last three years are as under:

No. of Annual General Meeting	Venue	Day & Date	Time	Details of Special Resolutions passed
20 th	Hotel I K London, 6-3-656, Somajiguda, Hyderabad – 500082	Saturday 27.07.2013.	10.00 A.M.	Nil
21 st	Hotel I K London, 6-3-656, Somajiguda, Hyderabad – 500082	Tuesday 30.09.2014	10.30 A.M.	Increase of remuneration of Shri Ch. Krishna Murthy, Chairman & Managing Director of the Company. Appointment of Shri Ch. Siddartha, as a Whole-time Director of the Company. Agreement with M/s Vasantha Transport Corporation for a period of 5 years. Agreement with M/s Vishnu Life Sciences Limited for a period of 5 years. Availing of civil construction and related services from M/s K.M.S. Infrastructure Limited for a period of 5 years.
22 nd	Hotel I K London, 6-3-656, Somajiguda, Hyderabad – 500082	Monday, 29 th June, 2015	10.30 A.M.	Investment in Equity Shares of M/s Solvay Vishnu Barium Pvt Ltd Approval of Borrowing Limits along with guarantee or counter guarantee. Hypothecation / mortgage / charge of movable and/or immovable properties of the company.

b. The company has not passed any resolution through postal ballot during the financial year 2015-16. No special resolution is proposed to be conducted through postal ballot

11. DISCLOSURES

i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.

Name of the Party	Description of Relationship	Name of the Interested Director	Nature of Transaction	Business (in Rs.)	Outstanding as on 31.03.2016.
Vasantha Transport Corporation	Proprietor	Ch Krishna Murthy	Transport, hire charges, Purchases	18,99,99,554	(2,90,38,111)
Vishnu Life Sciences Ltd	Member	Ch. Siddartha	Lease Rentals	6,00,000	35,36,125
K.M.S. Infrastructure Ltd	Directors	Ch. Krishna Murthy and Ch Manjula	Contract Services	16,46,226	1,41,400
Solvay Vishnu Barium Pvt Ltd	Director	Ch. Siddartha	Purchase / sale of goods	4,94,07,689	(4,64,60,243)
Vishnu Hong Kong Ltd	Director	Ch. Siddartha	Purchase / sale of goods	12,97,65,173	(1,87,02,269)



- ii. Details of non-compliance by the company, penalties and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

There have not been any non-compliance by the Company and no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any material related to capital markets, during the period under review.

- iii. Whistle Blower policy and affirmation that, no personnel have been denied access to the audit committee.

The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. During the year under review, no employee was denied access to the Audit Committee.

- iv. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement during the period under review and the details are furnished wherever necessary in this Annual Report. The Company comply with the non-mandatory requirements.

12. MEANS OF COMMUNICATION

- i. Quarterly results

The Company's quarterly results are published in one English and one vernacular (Telugu) languages and are displayed on its website (www.vishnuchemicals.com).

- ii. Newspapers wherein results normally published

The Company's results are published normally in the vernacular dailies like Andhra Prabha, Andhra Jyothi, Nava Telangana and Andhra Bhoomi and also in the leading English dailies like the Financial Express and the Business Standard, as per the availability of the space at the time of publishing.

- iii. Any website, where displayed

The Company's website (www.vishnuchemicals.com) contains a separate dedicated section 'Investors' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

- iv. Whether it also displays official news releases

During the period under review, the Company has no official news release.

- v. The presentations made to institutional investors or to the analysts.

During the period under review, the Company has not made any presentations to institutional investors or analysts.

- vi. Annual Report

Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.

- vii. NSE Electronic Application Processing System (NEAPS) & BSE Corporate Compliance & Listing Centre (the 'Listing Centre').

NEAPS and BSE Listing Centre are web based applications designed by NSE and BSE, respectively, for Corporates. The Shareholding pattern, Corporate Governance Report are also filed electronically on NEAPS and BSE Listing Centre in addition to the intimation of the meetings, outcomes of the meetings, postal ballot results, etc.



viii. SEBI Complaints Redress System (SCORES)

SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI website. The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are Centralised database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. No complaints were received during the period under review.

13. GENERAL SHAREHOLDERS INFORMATION:

- i. Annual General Meeting date, time and venue : Wednesday, the 28th day of September, 2016, at 11.00 A.M., at Hotel I K London, 6-3-656, Kapadia Lane, Somajigud, Hyderabad – 500082
- ii. Financial year : 2015-16 (consisting of 12 months)
- iii. Date of Book closure : 22.09.2016 to 28.09.2016 (both days inclusive)
- iv. Listing on Stock Exchanges : BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai 400 001

National Stock Exchange of India Limited (NSE)
Exchange Plaza, Plot No. C/1, G Block
Bandra-kurla Complex Bandra (E)
Mumbai - 400 051

Ahmedabad Stock Exchange Ltd., Kamadhenu
complex, Opp. Sahajanand College, Panjara Bole
Ahmedabad – 380 015
- v. Stock Codes : BSE Scrip Code : VISHNU (516072)
NSE Scrip Code : VISHNU
Ahmedabad Stock Exchange Code : 29091
Demat ISIN : **INE270I01014**
CIN : L85200TG1993PLC046359
- vi. Market price data; High, Low during each month in the last financial year:

A). BSE Ltd

Month	Open	High	Low	Close	No. of Shares
Apr 15	174.00	181.00	164.00	175.00	1,47,060
May 15	174.20	208.00	165.00	169.60	1,17,301
Jun 15	167.00	364.90	152.10	364.90	11,28,314
Jul 15	383.10	494.40	341.00	464.30	8,64,314
Aug 15	464.50	539.90	357.40	398.60	3,94,669
Sep 15	401.80	407.00	347.00	384.80	1,67,092
Oct 15	381.10	425.00	367.00	372.00	71,093
Nov 15	375.00	472.00	330.00	431.60	1,75,796
Dec 15	439.90	449.00	391.00	419.40	1,60,982
Jan 16	419.50	430.00	295.60	299.70	1,12,551
Feb 16	311.00	311.00	160.00	171.90	2,08,074
Mar 16	174.20	300.50	172.00	300.50	2,28,243



B). National Stock Exchange Ltd

Month	Open	High	Low	Close	No. of Shares Trades
Apr-15	161.05	180.00	152.25	175.00	1,26,246
May-15	174.00	200.00	160.00	170.95	84,625
Jun-15	162.00	367.50	152.30	367.50	22,06,762
Jul-15	385.85	494.00	340.25	462.60	17,74,893
Aug-15	466.55	540.00	357.45	396.95	6,02,646
Sep-15	390.00	409.00	345.05	384.85	1,85,898
Oct-15	386.00	414.95	366.00	372.35	1,67,794
Nov-15	372.00	472.00	311.00	432.75	3,71,682
Dec-15	439.90	448.90	388.30	417.45	4,45,427
Jan-16	418.60	430.00	290.00	299.65	3,12,003
Feb-16	304.95	307.00	158.05	172.25	3,34,732
Mar-16	179.00	297.25	172.00	297.25	3,76,230

- vii. Registrar and Transfer Agents : Bigshare Services Pvt. Ltd.
306, Right Wing, Amrutha Ville
Opp. Yasodha Hospital
Somajiguda, Raj Bhavan Road
Hyderabad - 500 082.
Ph : 040 – 23374967, 23370295
Fax : 040 – 23370295
Email : bsshyd@bigshareonline.com
- viii. Share transfer system: Your Company has appointed M/s. Bigshare Services Private Limited for dealing in with the shares of the Company in physical and electronic mode. Presently, they are completing the process of transfers within a period of 10 to 12 days from the date of receipt, subject to the documents being valid and complete in all respects.



ix. Distribution of Shareholding

Category		No. of Shares held		Total Shares	% of Holding
		Physical	Demat		
A.	Promoters' Holding				
1.	Promoters				
a.	Indian Promoters'	Nil	8959506	8959506	75.00
b.	Foreign Promoters' *	--	--	--	--
c.	Persons acting in concert	--	--	--	--
	SUB-TOTAL	Nil	8959506	8959506	75.00
2.	Non-Promoters Holding				
3.	Institutional Investors	--	--	--	--
a.	Mutual Funds and UTI	--	--	--	--
b.	Banks, Financial Institutions.	--	--	--	--
c.	Insurance Companies	--	--	--	--
d.	Central / State Govt. Institutions / Non-Government institutions	--	--	--	--
e.	FII's*	--	--	--	--
	SUB-TOTAL	Nil	8959506	8959506	75.00
4.	Others				
a.	Private Corporate Bodies	6875	335531	342406	2.87
b.	Indian Public	186729	2151152	2337881	19.56
c.	NRIs / OCBs*	42240	161509	203749	1.71
d.	Any other –Clearing Members	--	102478	102478	0.86
	SUB-TOTAL	235844	2750670	2986514	25.00
	GRAND TOTAL	235844	11710176	11946020	100.00

* TOTAL FOREIGN SHAREHOLDINGS IN NUMBER IS 203749 COMPRISING - 1.71% & THERE IS NO GDR & ADR HOLDINGS IN ABOVE MENTIONED COMPANY.

** HOLDING OF PERSONS ACTING IN CONCERT IS 'NIL'.

x. Distribution schedule of shareholding was as below:

Range (in Rs.)	No. of shareholders	% of shareholders	Total shares	Amount (in Rs.)	% of Amount
1 – 5000	4227	86.42	551206	5512060	4.61
5001 – 10000	322	6.58	242243	2422430	2.03
10001 – 20000	162	3.31	242298	2422980	2.03
20001 – 30000	64	1.31	167576	1675760	1.40
30001 – 40000	28	0.57	96947	969470	0.81
40001 – 50000	16	0.33	75406	754060	0.64
50001 – 100000	37	0.76	256980	2569800	2.15
100001 - 500000	20	0.40	441279	4412790	3.70
500001 – 1000000	8	0.16	561206	5612060	4.70
1000001 – 5000000	1	0.02	398523	3985230	3.33
5000001 - 10000000	2	0.04	1399250	13992500	11.71
10000001 and above	4	0.08	7513106	75131060	62.89
Total	4891	100.00	11946020	119460200	100.00



- xi. Dematerialization of Shares and Liquidity : 98.03% of the Company's Paid-up capital has been dematerialized up to 31.03.2016 as per the following details. The Company's Equity Shares are actively traded shares on the Indian Stock Exchanges.

Particulars	No. of shares	% of share capital
NSDL	8176536	68.45
CDSL	3533640	29.58
Physical	235844	1.97
Total	11946020	100.00

- xii. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants. The details of convertible instruments are as below:

No. of 7% Redeemable Preference Shares	Date of issue	
40000000	31.03.2008	Liable to be redeemed after the expiry of 10 (ten) years from the date of issue.
7500000	30.09.2009	

- xiii. Annual listing fee for the year 2016-17 has been paid by the Company to BSE, NSE.
Annual Custody/Issuer fee for the year 2016-17 has been paid by the Company to NSDL and CDSL.

14. Plant Locations (Factory):

- | | |
|---|--|
| 1. Survey No.15
Gaddapotharam
Medak District - 502319
Telangana | 2. Survey No.18-26
Nandini Road
Bhilai- 490026
Chattishgarh |
| 3. Plot No.57
Phase III, IDA
Jeedimetla
Hyderabad -500055
Telangana | 4. Plot No.29
J.N.Pharma City, IOCL Road
Parawada - 531019
Visakhapatnam Dist
Andhra Pradesh |

15. Address for Correspondence

(Registered Office)
6-3-662/B/4, Sri Sai Nilayam,
II Floor, Sangeetnagar Colony,
Somajiguda, Hyderabad – 500 082,
Ph : 040-6662 6681-83; Fax : 040-2331 4158
email:vishnu@vishnuchemicals.com
website:www.vishnuchemicals.com

Declaration for Compliance with Code of Conduct

Pursuant to regulations 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Companies Act, 2015, I hereby declare that the company has adopted a Code of Conduct for Directors and Senior Management Personnel of the company at the meeting of the Board of Directors.

A Statement of allegiance to the Code of Conduct has been obtained from all the senior management personnel and functional heads and such statement of allegiance will be obtained on an annual basis from all the Directors, senior management personnel and functional heads.

Place : Hyderabad

For VISHNU CHEMICALS LIMITED

Date : 06.08.2016

Sd/-

Ch. Krishna Murthy
Chairman & Managing Director



**CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE UNDER
SEBI LISTING REGULATIONS**

To
The Members,
VISHNU CHEMICALS LIMITED,
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by M/s VISHNU CHEMICALS LIMITED ("the Company") for the year ended on March 31, 2016 as stipulated in SEBI Listing Regulations of the said company with the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Share Holders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For L D Reddy & Co.,
Company Secretaries

Place : Hyderabad
Date : 06.08.2016

Sd/-
L. Dhananjaya Reddy
C P No : 3752



CERTIFICATE BY THE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

We, Ch. Krishna Murthy Managing Director, and T. Rama Krishna, Chief Financial Officer of Vishnu Chemicals Limited, to the best of our knowledge and belief, certify that :

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We state to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We are responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, and that we done or propose to do to rectify these.
- D. We have disclosed to the auditors as well as the Audit committee
- i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sd/-
T. Rama Krishna
Chief Financial Officer

Sd/-
Ch. Krishna Murthy
Chairman & Managing Director

Place: Hyderabad
Date. 06.08.2016



INDEPENDENT AUDITOR'S REPORT

To
The Members of VISHNU CHEMICALS LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of **VISHNU CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure – 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) (i) of the Companies Act, 2013, we given in Annexure – 2, the report on Internal Financial Controls over Financial Reporting.
3. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the Directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements,
 - ii. In our opinion and as per the information and explanations provided to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
 - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For C K S ASSOCIATES
Chartered Accountants
(F.R.No. 007390S)**

Sd/-
P. GANAPATI RAO
Partner
M.No. 024113

**HYDERABAD
May 02, 2016**



ANNEXURE - 1 TO THE INDEPENDENT AUDITORS' REPORT:

(Referred to in Paragraph 1 under section 'Report on Other Legal and Regulatory Requirements' of our report of even date)

- 1.1. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2. All the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- 1.3. All the title deeds of the immovable properties are held in the name of the Company.
2. The inventories have been physically verified at reasonable intervals by the management and no material discrepancies were noticed on such verification.
3. In our opinion and according to the information and explanations given to us, the Company has granted interest-free unsecured loans to two wholly owned subsidiary companies covered in the register maintained under Section 189 of the Companies Act, 2013. According to the information and explanations given to us, the terms and conditions of the grant of such loans are not prima facie prejudicial to the interest of the Company. As no specific terms and conditions with regard to repayment have been specified, we are not able comment upon on the repayment and overdue amount.
4. In our opinion and according to the information and explanations given to us, in respect of loans and investments, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
5. According to the information and explanations given to us, the Company has not accepted any deposits in terms of the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. We have broadly reviewed the cost records maintained by the Company pursuant sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- 7.1 According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, Duty of Excise, Value Added Tax, Cess and other Statutory Dues, as are applicable, with the appropriate authorities.

According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable, except for entry tax of Rs. 267.92 lakhs pertaining to the financial years 2009-10 to 2012.13.

- 7.2 According to the information and explanations given to us, the disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as follows:

Nature of dues	Rs. in lakhs	Period to which the amount relates	Forum where the dispute is pending
Central Excise	46.82	1998-99	CESTAT, Bengaluru
Central Excise	121.28	2006-07	CESTAT, New Delhi
Central Excise	446.04	2006-12	CESTAT, New Delhi
Sales Tax	5.81	1998-99	STAT, Hyderabad
Sales Tax	8.96	2008-10	AC, Sales Tax, Cuttack
Sales Tax	43.08	2008-09	CCT, Raipur, Bhilai



8. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a Financial Institutions or banks.
9. During the year under review, the Company has not raised any money by way of Initial Public Offer, further public offer, or term loans and hence the reporting requirement on the purpose of application of the same is not warranted.
10. According to the information and explanations given to us and based upon the audit procedures performed by us, no fraud by the Company or on the Company committed by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us, the managerial remuneration paid or provided during the year is in compliance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
12. As the Company is not a Nidhi Company in terms of the provisions of the Companies Act, 2013 read with Nidhi Rules, 2014, the matters to be reported under clause (xii) are not applicable.
13. The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013, wherever applicable. In our opinion, the details as required by the applicable Accounting Standards have been disclosed in the financial statements for the year under review.
14. According to the information and explanations given to us, the Company has not made any Preferential Allotment or Private Placement of Shares or fully or partly Convertible Debentures during the year under review. Hence, reporting requirement on compliance with Section 42 of the Companies Act, 2013 and purpose of application of the funds so raised is not applicable.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with him and hence, reporting requirement on compliance with the provisions of Section 192 of the Companies Act, 2013 is not applicable.
16. According to the information and explanations given to us and in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For C K S ASSOCIATES
Chartered Accountants
(F.R.No. 007390S)**

**HYDERABAD
May 02, 2016**

Sd/-
**P. GANAPATI RAO
Partner
M.No. 024113**



ANNEXURE – 2 TO THE INDEPENDENT AUDITOR’S REPORT:

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”):

We have audited the internal financial controls over financial reporting of **VISHNU CHEMICALS LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For C K S ASSOCIATES
Chartered Accountants
(FRN: 007390S)**

Sd/-
P. GANAPATI RAO
Partner
M. No. 024113

**HYDERABAD
May 02, 2016**


BALANCE SHEET AS AT MARCH 31, 2016

	Note No.	31-Mar-16 ₹	31-Mar-15 ₹
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share Capital	1	594,460,200	594,460,200
b. Reserves and Surplus	2	1,014,904,865	790,589,661
		1,609,365,065	1,385,049,861
2. NON-CURRENT LIABILITIES			
a. Long Term Borrowings	3	550,941,451	561,096,600
b. Deferred Tax Liabilities (Net)	4	290,705,045	289,159,308
c. Other Long Term Liabilities	5	385,000,000	661,740,000
d. Long Term Provisions	6	12,199,572	6,711,535
		1,238,846,068	1,518,707,442
3. CURRENT LIABILITIES			
a. Short Term Borrowings	7	1,243,786,235	1,046,534,558
b. Trade Payables	8	1,129,451,764	587,294,726
c. Other Current Liabilities	9	508,401,445	299,616,537
d. Short Term Provisions	10	88,223,474	87,512,461
		2,969,862,918	2,020,958,282
TOTAL		5,818,074,051	4,924,715,585
II. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed Assets	11		
i. Tangible Assets		1,807,589,184	1,860,057,570
ii. Intangible Assets		354,367	-
iii. Capital Works-in-progress		616,798,357	440,914,155
		2,424,741,908	2,300,971,725
b. Non-Current Investments	12	15,902,225	3,120,925
c. Long Term Loans and Advances	13	148,527,261	62,774,764
		2,589,171,394	2,366,867,414
2. CURRENT ASSETS			
a. Inventories	14	1,636,291,680	1,156,133,253
b. Trade Receivables	15	1,116,079,923	893,858,869
c. Cash and Bank Balances	16	107,473,704	117,529,210
d. Short Term Loans and Advances	17	338,890,347	347,628,801
e. Other Current Assets	18	30,167,003	42,698,038
		3,228,902,657	2,557,848,171
TOTAL		5,818,074,051	4,924,715,585

Refer to Accompanying Notes to Financial Statements

Per our Report of even date

For and on behalf of the Board of Directors

 For C K S ASSOCIATES
Chartered Accountants
FRN: 007390S

 Sd/-
Cherukuri Krishna Murthy
Chairman & Managing Director
DIN: 00030274

 Sd/-
Cherukuri Manjula
Director
DIN: 01546339

 Sd/-
P. Ganapati Rao
M.No: 024113

 Sd/-
T. Rama Krishna
Chief Financial Officer

 Sd/-
Shruti Gupta
Company Secretary

 Hyderabad
May 02, 2016


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Note No.	31-Mar-16 ₹	31-Mar-15 ₹
1. REVENUE			
a. Total Revenue from Operations	19	4,632,704,132	4,180,710,212
b. Other Income	20	20,351,373	8,683,931
Total Revenue		4,653,055,505	4,189,394,143
2. EXPENSES			
a. Cost of Materials Consumed		2,379,728,429	1,948,468,054
b. Changes in Inventories of Finished Goods & Work-in-Progress	21	(415,306,701)	(110,061,440)
c. Employee Benefit Expense	22	184,641,168	163,924,066
d. Finance Costs	23	327,918,518	314,770,801
e. Depreciation and Amortisation Expense	11	117,489,728	122,180,645
f. Corporate Social Responsibility Expenses	24	1,979,181	936,227
g. Other Expenses	25	1,650,553,770	1,407,398,645
Total Expenses		4,247,004,093	3,847,616,998
3. PROFIT BEFORE TAX		406,051,412	341,777,145
4. TAX EXPENSE			
a. Current Tax		140,538,246	107,986,451
b. Tax Pertaining to Earlier Years		3,609,521	(2,082,560)
c. Deferred Tax	4	1,545,737	16,802,197
		145,693,504	122,706,089
4. PROFIT FOR THE YEAR AFTER TAX		260,357,908	219,071,057
EARNINGS PER SHARE			
Par Value Per Share Rs. 10/- Basic & Diluted		18.43	14.97

Refer to Accompanying Notes to Financial Statements
Per our Report of even date
For and on behalf of the Board of Directors

For C K S ASSOCIATES
Chartered Accountants
FRN: 007390S

Sd/-
Cherukuri Krishna Murthy
Chairman & Managing Director
DIN: 00030274

Sd/-
Cherukuri Manjula
Director
DIN: 01546339

Sd/-
P. Ganapati Rao
M.No: 024113

Sd/-
T. Rama Krishna
Chief Financial Officer

Sd/-
Shruti Gupta
Company Secretary

Hyderabad
May 02, 2016


CASH FLOW STATEMENT FOR THE YEAR 2015-16

	2015-16 ₹	2014-15 ₹
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit after Tax and Extraordinary items	260,357,908	219,071,057
Adjustments for:		
Depreciation	106,515,838	122,180,646
Deferred Tax	1,545,737	16,802,197
Prior Period Capitalisation of Interest Adjusted against Reserves	(21,597,000)	
Income Tax (Provision)	140,538,246	107,986,451
Fringe Benefit Tax (Provision)		
Income Tax (Prior Period Taxes)	3,609,521	(2,082,560)
Profit on Sale of Fixed Assets / Investments		
Interest Paid	327,918,519	314,770,801
Miscellaneous expenditure written off		
Interest Earnings	(11,662,671)	(8,013,908)
Operating profit before working Capital changes	807,226,098	770,714,684
Adjustments for:		
(Increase)/Decrease in Trade and Other Receivables	(222,221,053)	(269,181,581)
(Increase)/Decrease in Inventories	(480,158,427)	(295,618,778)
Increase/(Decrease) in Trade Payables & Other Current Liabilities	719,527,156	99,385,843
(Increase)/Decrease on Loans & Advances & Other Current Assets	(116,753,392)	(117,104,129)
Cash deficit from Operations	(99,605,716)	(582,518,645)
Direct Tax paid	(81,720,032)	(49,604,372)
Dividend paid	(23,892,040)	(11,946,020)
Cash generated from operations	(205,217,788)	(644,069,037)
Net Cash Flow from operating activities	602,008,310	126,645,647
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(54,401,818)	(19,076,812)
Investments	(12,781,300)	(80,925)
Capital Work-in-progress	(175,884,202)	(77,436,927)
Interest Received	11,662,671	8,013,908
Net Cash used in investing activities	(231,404,649)	(88,580,756)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	184,598,676	300,000,000
Repayment of term liabilities	(135,700,472)	(107,570,363)
Increase in Bank Borrowings Working Capital	184,644,413	9,108,174
Other Un Secured Loans	(286,283,264)	125,214,955
Interest Paid	(327,918,519)	(314,770,801)
Net Cash used in financing activities	(380,659,166)	11,981,965
Net increase / Decrease in cash and cash equivalents	(10,055,505)	50,046,856
Cash and cash equivalents as at 01.04.2015	117,529,210	67,482,354
Cash and Cash equivalents as at 31.03.2016	107,473,704	117,529,210

Refer to Accompanying Notes to Financial Statements
Per our Report of even date
For and on behalf of the Board of Directors
For C K S ASSOCIATES
Chartered Accountants
FRN: 007390S
Sd/-
Cherukuri Krishna Murthy
Chairman & Managing Director
DIN: 00030274
Sd/-
Cherukuri Manjula
Director
DIN: 01546339
Sd/-
P. Ganapati Rao
M.No: 024113
Sd/-
T. Rama Krishna
Chief Financial Officer
Sd/-
Shruti Gupta
Company Secretary
Hyderabad
May 02, 2016



Significant Accounting Policies:

a) Accounting Convention and Basis:

The financial statements are prepared under the historical cost convention as a going concern in accordance with the generally accepted accounting principles and are based on accrual concept of accounting.

b) Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the income and expenditure for the reporting year. Though these estimates and assumptions are based on the information available at that point in time, the actual results could differ from these estimates.

c) Fixed Assets and Capital Work-in-Progress:

Fixed assets are stated at cost (net of Cenvat credit & Vat) less accumulated depreciation and inclusive of all costs including financial expenses incurred till the asset is put to use. Indirect & Pre-operative expenses related or attributable to the Capital works up to commencement of commercial production are added to the cost of fixed assets in the year of commencement of commercial Production.

d) Depreciation:

Depreciation is provided on Straight Line Method in respect of assets situated at Bhilai, Jeedimetla (API), Corporate Office and Vizag Units and on Written down value Method in respect of assets situated at Kazipalli Unit, by considering the useful life of the assets as specified in Schedule II of the Companies Act, 2013.

e) Impairment of Assets:

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with accounting standard 28 on "Impairment of Assets" issued by ICAI. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized is reversed if there has been a change in the estimate of recoverable amount.

f) Inventories:

Inventories are valued at lower of cost or net realizable value on FIFO basis. Inventories comprise of raw materials, stores, spares & consumables and finished goods. Cost of Inventories comprises all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

g) Sales:

Gross Sales comprise of Sale Value net of returns, internal transfers, Sales Tax & rebates and are inclusive of excise duty and Freight.

h) Revenue recognition:

Revenue is recognized on the transfer of property of goods as per contractual terms.

i) Borrowing Costs:

Borrowing costs attributable to a qualifying asset are capitalized as a part of the cost of assets/ and other borrowing costs are recognized as an expense in the year of incurrence.

j) Excise duty and Sales Tax:

The liability of excise duty on finished goods lying in stock at the close of the year is provided for in the accounts and included in the valuation of Inventory as per the guidance note issued by ICAI.



k) Employee Benefits:

- i) to Provident and pension Funds are funded with appropriate authorities and charged to the profit and loss account.
- ii) Liability for gratuity and leave encashment is provided on the basis of actuarial valuation based on the projected unit credit method. Actuarial gains or losses are recognized in the Statement of Profit and Loss.

l) Investments:

Long term investments are stated at cost net of provision for diminution in value other than temporary, if any. Current investments are carried at lower of cost or fair market value.

m) Research & Development Expenditure:

Capital Expenditure incurred is disclosed separately in schedule of fixed assets and revenue expenditure incurred during the Research phase is charged to the Profit and Loss in the year of incurrence.

n) Foreign Currency Transactions:

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are recognized using the exchange rate as on that date. Gains/Losses arising from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are accounted for in the Statement of Profit and Loss.

o) Taxes on Income:

Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized, subject to consideration of prudence, on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.


1. SHARE CAPITAL

	31-Mar-16 ₹	31-Mar-15 ₹
Authorised Share Capital		
15,000,000 Equity Shares of ₹10/- par value	150,000,000	150,000,000
60,000,000 7% Redeemable Preference Shares of ₹ 10/- par value	600,000,000	600,000,000
	750,000,000	750,000,000
Issued,Subscribed and Fully Paid-up Capital		
<u>EQUITY SHARES</u>		
<i>At the beginning and close of the year</i>		
11,946,020 Equity Shares of ₹10/- par value	119,460,200	119,460,200
<u>PREFERENCE SHARES</u>		
<i>At the beginning and close of the year</i>		
47,500,000 7% Redeemable Preference Shares of ₹10/- par value	475,000,000	475,000,000
Total	594,460,200	594,460,200

Disclosures:

- All the equity shares carry equal rights and obligations including for dividend and with respect to voting rights.
- 7% Redeemable Preference Shares which are cumulative in nature are liable to be redeemed at par after the expiry of ten years ending with March, 2018 (₹4000 Lakhs) and September, 2019 (₹750 Lakhs)
- Dividend on Redeemable Preference Share Capital: Dividends on the 7% Redeemable Preference Share Capital of ₹4750 Lakhs has not been provided for the year 2015-16. However, as the Preference Shares are cumulative in nature, the amount payable as dividend for the year of ₹332.50 Lakhs (₹332.50 Lakhs) is being shown as a Contingent liability.
- Names of shareholders holding more than 5% of the Share capital and their shareholding.

EQUITY SHARES

S.No.	Name of shareholder	31.03.2016	31.03.2015
1	Ch. Krishna Murthy - No of Shares	6,219,790	6,219,790
	- % held	52.07	52.07
2	Ch. Manjula - No of Shares	1,614,048	1,614,048
	- % held	13.51	13.51
3	Ch. Sidhartha - No of Shares	1,125,668	1,125,668
	- % held	9.42	9.42

PREFERENCE SHARES

S.No.	Name of shareholder	31.03.2016	31.03.2015
1	Ch. Krishna Murthy - No of Shares	44,100,000	44,100,000
	- % held	92.84	92.84
2	Ch. Manjula - No of Shares	3,250,000	3,250,000
	- % held	6.84	6.84
3	Ch. Sidhartha - No of Shares	150,000	150,000
	- % held	0.32	0.32


2. RESERVES & SURPLUS

1. Capital Reserve		
<i>At the beginning and close of the year</i>	86,040	86,040
2. Other Reserves:		
General Reserve		
Balance at the beginning of the year	50,907,106	29,000,000
Addition during the year	15,000,000	21,907,106
Balance at the closing of the year	65,907,106	50,907,106
3. Surplus		
Balance brought forward from previous year	739,596,516	572,643,410
Less: Capitalisation of interest on fixed assets during Construction adjusted	21,597,000	-
Less: Depreciation in respect of assets whose useful life expired	-	1,373,212
Balance available	717,999,516	571,270,198
Add: Transfer from Statement of Profit and Loss for the year	260,357,908	219,071,057
Balance available for Appropriations	978,357,424	790,341,254
Appropriations:		
a Interim Dividend	11,946,020	11,946,020
b Tax on Dividend	2,499,685	2,445,908
c Proposed Final Dividend	-	11,946,020
d Tax on Final Dividend	-	2,499,685
e Transfer to General Reserve	15,000,000	21,907,106
Balance carried forward to next year	948,911,719	739,596,516
Total	1,014,904,865	790,589,661

3. LONG TERM BORROWINGS

A. Secured:		
1. Term Loans:		
From Banks	462,195,923	444,291,868
2. Long Term Maturities of Finance Lease Obligations:		
From Banks	1,297,036	7,205,713
B. Unsecured:		
1. Loans and Advances from Related Parties:		
Loans from directors	87,448,492	109,599,019
Total	550,941,451	561,096,600

Disclosures:

Terms & Conditions of the above Loans are given below:

A) Secured Loans:

- Term Loans from banks represents loans from Consortium of Bankers - State Bank of Hyderabad, Andhra Bank, Indian Overseas Bank and Union Bank of India. Term Loans are secured by charge on the assets acquired out of the term loan including mortgage of building constructed and charge on entire existing movable/immovable assets of the Company. The above loans are further secured by personal guarantee of Promotor Directors and others. All the above securities rank in all respects pari passu amongst the consortium of bankers.
- The term loans are repayable in equated periodic instalments outstanding up to 7 years (5 Years) period from the date of respective loan. These are repayable by 2022-23 (2019-20) and carry an average interest of 14.30% p.a. The aggregate amount of instalments outstanding as on March 31, 2016 is ₹6476.46 Lakhs (Rs.5994.92 Lakhs)
- The hire purchase loans are secured against the assets purchased out of those loans. The net carrying amount of assets acquired on hire purchase as on 31st March 2016 is ₹2,57,82,362/- (₹2,87,62,648/-). The company had capitalized the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease as defined in Accounting Standard 19 on "Leases". Installment payment are apportioned between Finance charge and Principal which is disclosed under secured loans. The details are as follows:-



Particulars	Minimum Lease Payments outstanding	Future Interest on outstanding Lease payments	Present Value of Minimum Lease Payments
Within one Year	6,622,840 (9,688,413)	480,574 (1,581,344)	6,142,266 (8,107,069)
Later than one year and not later than 5 years	1,397,700 (7,786,950)	100,664 (581,237)	1,297,036 (7,205,713)

Figures in the brackets relate to Previous Financial Year

B) Unsecured Loans:

Terms and Conditions:

- a. Loans from Directors (Non-interest bearing) : No terms specified

4. DEFERRED TAX LIABILITIES (NET)

1. Deferred Tax Liability On account of Timing differences in Depreciation of Fixed Assets	852,193,344	858,412,422
2. Deferred Tax Assets Provision for Gratuity and Leave Encashment	12,199,572	7,693,662
Net Deferred Tax Liabilities / (Assets) for the Year	839,993,772	850,718,760
Provision for Deferred Tax at the beginning of the year	289,159,308	272,357,111
Deferred Tax for the year	1,545,737	16,802,197
Deferred Tax Liability / (Asset) - Total	290,705,045	289,159,308

Disclosures:

The Company has provided for Deferred Tax in accordance with the Accounting Standard on "Accounting for Taxes on Income" (AS 22) issued by the institute of Chartered Accountants of India. The details of deferred tax assets and liabilities of the Company as on the date of Balance Sheet are as given above:

5. OTHER LONG TERM LIABILITIES

Security Deposits	385,000,000	412,500,000
Advance from Customers secured against Bank Guarantee	-	249,240,000
Total	385,000,000	661,740,000

Disclosure:

Terms and Conditions:

- a. Security Deposits from Customers & Suppliers: Repayable after two years

6. LONG TERM PROVISIONS

Provision for Employee Benefits (Net of Fund Assets)	12,199,572	6,711,535
Total	12,199,572	6,711,535

7. SHORT TERM BORROWINGS

A. Secured: Loans repayable on demand From Banks :	1,209,056,000	1,024,411,587
B. Unsecured: From Others : Inter Corporate Loans	1,632,000	-
Others	33,098,235	22,122,971
	34,730,235	22,122,971
Total	1,243,786,235	1,046,534,558



Disclosures:

A) Secured Loans:

1. The Rate of Interest for Loans repayable on demand from Banks ranges from respective Banks Base Rate +2.50% to +4.75%

2 Security:

Working Capital Loans from Consortium Bankers consisting of State Bank of Hyderabad, State Bank of India, Union Bank of India, Indian Overseas Bank, Andhra Bank and Punjab National Bank are secured by first pari passu charge by way of hypothecation of inventories, book debts and other current assets of the company, and second pari passu charge on the fixed assets of the company. The directors have extended their personal security i.e Land, Plots, Buildings & Shares etc.

3 Guarantees:

All the above loans are guaranteed by the Promoter Directors.

B) Unsecured Loans:

1 Inter Corporate Loans:

These loans carry Interest rate of 15.5% and are repayable on demand

8. TRADE PAYABLES

Trade payables	1,129,451,764	587,294,726
Total	1,129,451,764	587,294,726

Disclosure:

The Company has no information as to whether any of its vendors constitute a "Supplier" within the meaning of Section 2 (n) of the Micro, Small and Medium Enterprises Development Act, 2006 as no declarations were received under the said Act from them.

9. OTHER CURRENT LIABILITIES

Current maturities of long term debt (Refer Note 3)	166,700,000	155,200,000
Current maturities of finance lease obligations (Refer Note 3)	6,142,266	8,107,069
Interest accrued and due on borrowings	8,617,629	-
Term Loan Instalment due but not paid	18,750,000	-
Creditors for Capital Expenditure	29,982,066	37,487,923
Advance from Customers secured against Bank Guarantee	132,665,800	-
Advance from Customers	3,663,053	6,680,652
Advance from Contractors	455,812	392,847
Unpaid dividends	3,392,390	458,904
Other payables		
a. Sales Tax Deferment	1,337,720	6,066,313
b. Statutory dues Payable	136,694,709	85,222,830
Total	508,401,445	299,616,537

Disclosures:

1) During the year, the Company has received advances against sales from two overseas parties which is secured by bank guarantee for which sales are to be made by the Company in the Financial Year 2016-17 as per the terms of agreement.

10. SHORT TERM PROVISIONS

1. Provision for Employee Benefits(Net)	982,127	982,127
2. Others		
a Provision for Final Dividend	-	11,946,020
b Provision for Tax on Final Dividend	-	2,499,685
c Provision for Tax (Net of TDS)	139,511,735	106,928,166
Less : MAT Credit Utilisation	52,270,388	34,843,537
Net Provision for Tax	87,241,347	72,084,629
Total	88,223,474	87,512,461



11. Fixed Assets	Tangible assets										Intangible Assets	
	Free hold land	Buildings	Plant and equipment	Office equipment	Data Process Equipment	Furniture and Fixtures	Vehicles	R&D Equipment	Lab Equipment	Total	Computer software	
Cost												
At April 1, 2014	76,168,278	652,523,494	1,917,088,221	4,919,818	6,415,363	9,804,053	33,709,669	39,282,883	5,381,135	2,745,272,915	1,341,026	
Additions	207,594	3,377,220	7,148,633	1,351,602	403,108	1,036,905	5,551,750	-	-	19,076,812	-	
Disposals/discard	-	-	-	-	-	-	-	-	-	-	-	
March 31, 2015	76,375,872	655,900,714	1,924,216,854	6,271,420	6,818,471	10,840,958	39,261,419	39,282,883	5,381,135	2,764,349,727	1,341,026	
Additions	629,000	24,309,632	57,964,689	817,613	564,299	755,522	1,565,541	-	-	86,606,296	366,413	
Disposals/discard	-	11,602,000	20,968,890	-	-	-	-	-	-	32,570,890	-	
March 31, 2016	77,004,872	668,608,347	1,961,212,653	7,089,033	7,382,770	11,596,480	40,826,960	39,282,883	5,381,135	2,818,385,133	1,707,439	
Depreciation												
At April 1, 2014	-	130,856,841	610,235,737	2,240,400	5,759,994	4,438,931	12,288,679	12,824,498	2,361,424	781,006,503	1,072,821	
Charge for the year	-	30,004,863	74,243,110	2,072,648	631,069	1,410,236	4,860,867	7,855,808	2,207,033	123,285,654	268,205	
Disposals/discard	-	-	-	-	-	-	-	-	-	-	-	
At March 31, 2015	-	160,861,703	684,478,847	4,313,047	6,391,063	5,849,168	17,149,546	20,680,306	4,568,457	904,292,157	1,341,026	
Charge for the year	-	29,641,761	73,535,241	666,494	262,815	1,028,743	4,075,543	7,855,807	411,279	117,477,682	12,046	
Disposals/discard	-	2,783,000	8,190,890	-	-	-	-	-	-	10,973,890	-	
At March 31, 2016	-	187,720,464	749,823,197	4,979,541	6,653,898	6,877,910	21,225,089	28,536,113	4,979,736	1,010,795,949	1,353,072	
Net Block												
At March 31, 2015	76,375,872	495,039,011	1,239,738,008	1,958,373	427,388	4,991,790	22,111,873	18,602,577	812,678	1,860,057,570	-	
At March 31, 2016	77,004,872	480,887,882	1,211,389,455	2,109,492	728,872	4,718,570	19,601,871	10,746,770	401,399	1,807,589,184	354,367	

Capital work in progress Rs. 616,798,357 (March 31, 2015 : Rs. 440,914,155)


12. NON-CURRENT INVESTMENTS

1. Trade Investments - Unquoted (At Cost)		
i Investment in Equity Instruments of Subsidiary		
a. 2,83,000 (10,000) Equity Shares of HKD 1 each in Vishnu Hong Kong Limited	2,362,225	80,925
b. 863949500 (Nil) Equity Shares of Rs. 10/- each in Solvay Vishnu Barium Private Limited	10,000,000	-
2. Non Trade Investments - Unquoted (At Cost)		
i Investment in Equity Instruments		
a. Equity Shares in Koganti Power Limited (60,000 Nos each Rs. 10/- Fully paid up)	600,000	600,000
b. Equity Shares in Sireen Drugs Private Limited (1,000 Nos each Rs. 10/- Fully paid up)	10,000	10,000
ii Investment in Bonds		
a. IDBI Bonds - 6 Bonds of Rs. 5000/- each	30,000	30,000
3. Non Trade Investments - Quoted (At Cost)		
a. 39138 units (39138) - PNB Mutual Fund	1,000,000	1,000,000
b. 39990 Units (89990) - UBI Mutual Fund	400,000	900,000
c. 12136 Units (12136) - SBI Mutual Funds	500,000	500,000
d. 26959 Units (Nil) - SBI Life Wealth Builder	1,000,000	-
Total	15,902,225	3,120,925

Disclosures:

1 Investment in Equity instruments of Subsidiary		
a. No of Equity Shares of HKD 1 each in Vishnu Hong Kong Limited	283,000	10,000
b. % of Share Holding	100%	100%
c. No of Equity Shares of Rs. 10/- each in Solvay Vishnu Barium P Ltd	863,949,500	-
d. % of Share Holding	100%	-
2. Quoted Investments:		
1. Aggregate Value	2,900,000	2,400,000
2. Market Value	4,027,545	3,912,441
3. Unquoted Investment - Aggregate Value	13,002,225	710,925

13. LONG TERM LOANS & ADVANCES

Unsecured, Considered Good:		
1. Capital Advances	107,297,752	36,379,629
2. Deposits	41,229,509	26,395,136
Total	148,527,261	62,774,764

14. INVENTORIES

Valued at Cost or Realisable Value, whichever is lower		
Raw Materials	419,905,698	341,175,750
Work-in-progress	267,061,554	241,469,608
Finished Goods	807,313,715	417,598,960
Stores, Spares & Packing	139,357,807	141,855,499
Stock in Transit	2,652,906	14,033,436
Total	1,636,291,680	1,156,133,253


15. TRADE RECEIVABLES
Unsecured, Considered Good

1. Outstanding for a Period Exceeding Six Months	197,361,477	145,198,944
2. Other Receivables	918,718,446	748,659,925
Total	1,116,079,923	893,858,869

Disclosures:

Trade receivables includes wholly owned Subsidiary receivable of Rs. 3,50,41,950/-

16. CASH AND BANK BALANCES

1. Cash & Cash Equivalents:		
1. Balances with Banks	3,211,027	18,342,907
2. Cash on Hand	1,236,189	2,539,317
2. Other Bank Balances		
a. Margin Money Deposit in Banks against LCs & BGs	99,634,098	96,188,082
b. Unpaid Dividend Accounts	3,392,390	458,904
Total	107,473,704	117,529,210

17. SHORT TERM LOANS AND ADVANCES

<i>Unsecured, Considered Good</i>		
1. Loans and Advances to Related Parties		
a. Advances against Services to an interested concern	29,847,844	37,824,724
b. Advances to Subsidiary	30,221,154	73,068
2. Others		
a. Advances to Suppliers	106,757,369	131,914,639
b. Other Advances	9,450,976	7,930,448
c. Balances with Government Authorities	154,573,667	107,128,550
d. Prepaid Expenses	5,085,837	3,970,225
e. Prepaid Taxes	-	3,563,259
f. MAT Credit Entitlement	2,953,500	55,223,888
Total	338,890,347	347,628,801

18. OTHER CURRENT ASSETS

Interest Receivable	4,013,925	3,579,138
Export / Power Incentives Receivable	26,153,078	26,068,949
Insurance Claim Receivable	-	13,049,951
Total	30,167,003	42,698,038


19. REVENUE FROM OPERATIONS

PARTICULARS	31-Mar-16 ₹	31-Mar-15 ₹
1. Sale of Products	4,953,436,187	4,461,057,893
2. Other Operating Revenues		
a. Sale of Scrap	8,868,865	5,730,165
b. Testing Charges	6,539,801	6,921,833
c. Export Incentives	31,241,675	27,950,447
	46,650,341	40,602,445
Less: Excise Duty	367,382,396	320,950,126
Total	4,632,704,132	4,180,710,212

20. OTHER INCOME

1. Interest Income Earned	11,662,671	8,013,908
2. Other Non-Operating Income		
a. Insurance Claim Received	8,688,702	335,999
b. Balances Written Back (Net)	-	334,024
Total	20,351,373	8,683,931

21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

1. Finished Goods		
a. Opening Stock:	417,598,960	317,443,820
b. Closing Stock:	807,313,715	417,598,960
	(389,714,755)	(100,155,140)
2. Work-in-progress		
a. Opening Stock:	241,469,608	231,563,308
b. Closing Stock:	267,061,554	241,469,608
	(25,591,946)	(9,906,300)
Total Decrease / (Increase)	(415,306,701)	(110,061,440)

22. EMPLOYEE BENEFITS EXPENSES

Salaries & Wages	170,762,287	143,865,477
Contribution to Provident and Other Funds	7,168,770	6,056,757
Staff Welfare Expenses	6,710,111	14,001,832
Total	184,641,168	163,924,066

23. FINANCE COSTS

Interest Expense	251,167,809	261,246,432
Interest on Others	27,342,347	17,945,934
Interest on Income Tax	5,909,465	3,843,791
Other Borrowing Costs	43,498,897	31,734,645
Total	327,918,518	314,770,801


24. CORPORATE SOCIAL RESPONSIBILITY EXPENSES

Construction of Class Room in a School	-	452,276
Purchase of Water Tanker for a Village	561,400	194,251
Plantation Expenses	187,781	262,500
Distribution of books to School Children	-	27,200
Swacha Bharat Mission Programme	600,000	-
Center for Training Research & Development	630,000	-
Total	1,979,181	936,227

Disclosures

a. Gross amount required to be spent by the company during the year	3,932,037	2,330,710
b. Amount Spent during the year	1,979,181	936,227

25. OTHER EXPENSES

Consumables - Furnace Oil , Diesel & Pet Coke	366,430,587	329,062,513
Consumables - Husk & Coal	97,211,974	107,536,037
Power	251,660,784	197,401,759
Rent	39,754,211	27,490,312
Equipment Hire Charges	35,650,833	33,664,454
Repairs & Maintenance - Buildings	3,461,717	3,210,074
Repairs & Maintenance - Machinery	110,844,269	109,489,168
Insurance	14,065,188	9,690,697
Rates & Taxes	21,987,488	20,369,632
Labour costs	36,240,350	43,177,978
Packing Charges	114,027,752	94,476,154
Shipping & forwarding Charges	200,594,371	203,014,438
Other Selling Cost	39,651,602	38,888,882
Bank charges	25,794,585	21,350,596
Transportation Charges	70,203,930	45,877,072
Effluent Disposal Expenses	72,602,251	52,212,603
Net Loss on Foreign Currency Transaction & Translation	24,804,739	(17,376,375)
Factory/Godown Maintenance	24,460,471	22,739,557
Travelling, Vehicle Maintenance & Conveyance	26,093,178	25,667,939
Professional & Consultancy Charges	5,739,628	8,920,983
Security Charges	5,371,502	4,962,774
Excise Duty Adjustment on Closing Stock	24,913,375	9,086,775
Miscellaneous Expenses	38,988,985	16,484,623
Total	1,650,553,770	1,407,398,645


26. CONTINGENT LIABILITIES AND COMMITMENTS (To the Extent Not Provided For):
(in lakhs)

	As on 31.03.2016	As on 31.03.2015
1. Contingent Liabilities:		
a. Claims against company not acknowledged as debt.	67,199,349	22,595,226
b. Indemnity given by company to the banks for Bank guarantees and Letters of Credit	112,628,720	434,581,250
2. Commitments:		
a. Dividend on 7% Cumulative Redeemable Preference Shares including Dividend Tax	303,126,379	262,918,872
b. Capital Contracts pending	79,326,454	-

27. Segment Reporting:
Geographic Segment:
The Company has two (2) geographical segments, i.e., (1) Domestic (2) Overseas.
Revenue attributable to location of customers is as follows:
(in Lakhs)

Geographic Location	2015-16 Revenue	2014-15 Revenue	2015-16 %	2014-15 %
Domestic	31692.40	29074.88	63.98	65.17
Overseas	17841.96	15535.70	36.02	34.83

Sundry Debtors based on geographical location:
(Rs. in lakhs)

Geographic Location	As on 31.03.2016	As on 31.03.2015	31.03.2016 %	31.03.2015 %
Domestic	5446.60	5280.35	48.80	59.07
Overseas	5714.20	3658.24	51.20	40.93

There are no units / assets outside India except overseas debtors.

(Rs. in lakhs).

Geographic location	Carrying amount of Segment Assets		Additions to Fixed Assets	
	2015-16	2014-15	2015-16	2014-15
India	52466.54	45588.91	869.73	190.77

28. Related Party Disclosures:
Key Management Personnel:

1. Sri. Ch. Krishna Murthy, CMD
2. Smt. Ch. Manjula, Director
3. Sri Ch. Siddartha, Director
4. Sri T. Rama Krishna, CFO
5. Ms. Shruti Gupta, Company Secretary



Concerns in which key management personnel are proprietors/directors:

1. Vasantha Transport Corporation
2. KMS Infrastructure Limited
3. Vishnu Life Sciences Limited
4. Vishnu Hongkong Limited
5. Solvay Vishnu Barium Pvt Ltd.,

Details of Transactions:

(Rs. in Lakhs)

Nature of Transaction	Key Management Personnel		Concerns in which Key Management is interested	
	2015-16	2014-15	2015-16	2014-15
Remuneration	141.63	132.75	--	--
Rent	--	--	6.00	4.20
Transportation Charges	--	--	1798.41	1441.75
Purchases	--	--	824.30	63.73
Sales	--	--	1026.76	--
Hire Charges	3.60	0.90	42.26	1.20
Contract Service	--	--	16.46	79.80
Advances to Interested Concerns	--	--	290.38	378.25
Advances to Subsidiary	--	--	651.62	0.73
Payables as on 31 st March, 2016	--	--	36.78	16.24

29. Earnings per share

(Rs. In lakhs).

	2015-16	2014-15
Profit after Tax	2603.58	2190.71
Less: Preference Dividend for the year and Dividend Tax thereon	402.07	402.07
Profit available to Equity Share holders (a)	2201.51	1788.64
Weighted Average no of Shares Basic & Diluted (b)	11,946,020	11,946,020
Earning per Share Basic & Diluted (a)/(b)(₹)	18.43	14.97

30. Auditors' Remuneration

(Rs.in Lakhs)

Particulars	2015-16	2014-15
1. Statutory Audit Fee	6.50	6.50
2. For Taxation Matters	3.00	1.50
3. For Other Services	0.55	0.79


31. Employee Benefits:

 Defined benefit plans as per actuarial valuation on 31st March, 2016

(Rs. in lakhs)

	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15	Leave Encashment (Funded) 2015-16	Leave Encashment (Funded) 2014-15
1 Assumptions:				
Discount Rate	7.46%	7.77%	7.46%	7.77%
Escalation	3%	3%	3%	3%
2 Changes in present value of obligations:				
Present value of obligations at beginning of year	111.63	61.14	59.76	41.58
Interest Cost	8.48	6.81	4.58	3.64
Current Service Cost	8.99	11.36	15.78	14.22
Benefits Paid	(5.05)	(10.91)	(1.53)	(2.32)
Actuarial (gain)/ loss on obligation	41.79	23.23	(9.50)	2.64
Present Value of obligation at end of year	165.84	111.64	69.09	59.76
3 Changes in fair value of plan assets:				
Fair value of plan assets at beginning of year	36.05	39.92	58.41	42.30
Adjustment to Opening balance	5.98	--	0.95	--
Expected return on plan assets	3.30	3.28	4.89	4.44
Contributions	0.02	3.93	0.05	14.68
Benefits paid	(5.05)	(10.91)	(1.53)	(2.32)
Actuarial gain /(loss) on plan assets	0.02	(0.18)	0.03	(0.69)
Fair value of plan assets at the end of year	40.31	36.05	62.81	58.41
4 Fair value of plan assets:				
Fair value of plan assets at beginning of year	36.05	39.92	58.41	42.30
Adjustment to Opening balance	5.98	--	0.95	--
Actual return on plan assets	3.32	3.11	4.92	3.74
Contributions	0.02	3.93	0.05	14.68
Benefits paid	(5.05)	(10.91)	(1.53)	(2.32)
Fair value of plan assets at the end of year	40.31	36.05	62.81	58.41
Funded status	(125.53)	(75.59)	(6.28)	(1.35)
Excess of Actual over estimated return on plan assets (actual rate of return = Estimated rate of return as ARD falls on 31 st march)	0.02	(0.18)	0.03	(0.69)
5 Actuarial gain/(loss) for the year – Recognized				
Actuarial gain/(loss) for the year – Obligation	(41.79)	(23.23)	9.50	(2.63)
Actuarial gain/(loss) for the year – plan assets	(0.02)	(0.18)	0.03	(0.69)
Total (gain)/ loss for the year	(41.77)	(23.40)	9.53	3.33
Actuarial (gain)/loss recognized in the year	(41.77)	(23.40)	9.53	3.33
6 The amounts to be recognized in the balance sheet and Statements of Profit and Loss				
Present value of obligations as at the end of year	165.84	111.64	69.09	59.75
Fair value of plan assets as at the end of the year	40.31	36.05	62.81	58.41
Funded status	(125.53)	(75.59)	(6.28)	(1.35)
Net assets / (liabilities) recognized in balance sheet	(125.53)	(75.59)	(6.28)	(1.35)
7 Expenses recognized in statement of profit & loss				
Current service cost	8.99	11.36	15.78	14.22
Interest Cost	8.48	6.81	4.58	3.64
Expected return on plan assets	(3.30)	(3.28)	(4.89)	(4.44)
Net actuarial (gain)/ loss recognized in the year	41.77	23.40	(9.53)	3.33
Expenses recognized in statement of Profit & loss	55.94	38.30	5.94	16.75

32. There is No change in Equity Share Capital. The Public Shareholding as on 31.03.2016 is 25%.

33. The entire preference Share Capital is held by promoters. The preference shareholders have given their 'NOC' to declare Dividend on Equity Share holders. In order to keep sufficient Cash flows in the Company, the preference shareholders have given their consent, to defer the dividend on their Shares. However the dividend payable on preference Share Capital have been shown as Contingent Liability.



34. Capitalization of Interest of Rs.312.82 Lakhs during 2007-08 has resulted in overstatement of Rs.312.82 Lakhs in gross block of fixed assets, overstatement of Rs.96.87 Lakhs in accumulated depreciation and overstatement of Rs.215.95 Lakhs in net block of fixed assets as at March 31, 2015. During the year under review, the Company has reversed the interest capitalized in the previous years and made necessary adjustments both to the gross block and accumulated depreciation and the balance amount of Rs.215.95 Lakhs is adjusted from the Surplus balance carried forward.
35. Additional information pursuant to note 5 of Part II of the revised Schedule VI of the Companies Act, 1956.

Production Details	2015-16		2014-2015	
		₹ in lakhs		₹ in lakhs
A Sales				
Sodium Bichromate		17077.47		14187.89
Basic Chromium Sulphate		21995.33		21914.08
Others		10461.56		8508.61
		49534.36		44610.58
B Raw Materials Consumption				
Soda Ash		8034.36		7084.41
Chrome Ore		9750.56		8227.48
Others		6012.36		4172.79
Total Consumption		23797.28		19484.68
C Value of Raw Materials Consumed:				
a. Imported (₹ in Lakhs)	13058.17	54.87%	13616.29	69.88%
b. Indigenous (₹ in Lakhs)	10739.11	45.13%	5868.39	30.12%
	23797.28	100.00%	19484.68	100.00%
D Value of Imports on CIF Basis :				
Raw Material (Including High Sea Purchases)		12672.24		14628.78
Packing Material		363.95		391.43
Consumables		950.40		-
Capital Goods		192.57		25.44
E Earnings in Foreign Exchange :				
Exports on FOB basis		17078.94		14506.11
Expenditure in Foreign Currency:				
Foreign Travel & Sales Expenses		97.11		91.82
Professional Services		42.07		83.56
Sales Commission		22.78		17.95
Exhibitions		13.00		20.34
Others		27.30		15.14

36. Figures for the previous year have been regrouped, rearranged and reclassified wherever considered necessary to conform to the classification/ presentation of the current year.

Per our Report of even date

For C K S ASSOCIATES
Chartered Accountants
FRN: 007390S

Sd/-
P. Ganapati Rao
M.No: 024113
Hyderabad
May 02, 2016

For and on behalf of the Board of Directors

Sd/-
Cherukuri Krishna Murthy
Chairman & Managing Director
DIN: 00030274

Sd/-
T. Rama Krishna
Chief Financial Officer

Sd/-
Cherukuri Manjula
Director
DIN: 01546339

Sd/-
Shruti Gupta
Company Secretary



INDEPENDENT AUDITOR'S REPORT

**To the Members of VISHNU CHEMICALS LIMITED
Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **VISHNU CHEMICALS LIMITED** ("hereinafter referred to as 'the Holding Company'), and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements')

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company as at March 31, 2016;
- b) in the case of Consolidated Statement of Profit and Loss, of the consolidated profit for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.4627.22 lakhs as at March 31, 2016, total revenue of Rs. 3460.38 lakhs and net cash inflows amounting to Rs. 2.18 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Emphasis of Matter

Based on Emphasis of Matter given by auditors of a subsidiary in their Audit report, the same is reported:

- (a) We draw attention to Note 28 to the financial statements regarding payment for transportation services for the year ended March 31, 2006, amounting to Rs. 7,439,060 for which prior approval of the Central Government was obtained only to the extent of Rs.60,00,000/- As represented, the Company has applied to the Central Government for approval in respect of the aforesaid transaction and approval is still awaited.
- (b) We draw attention to Note 29 to the financial statements, other liabilities include Rs.1,46,35,359/- (March 31, 2015: Rs.1,38,09,721) payable to foreign company towards advance received, which have been outstanding for a period of more than three years. Requisite approvals under the provisions of Foreign Exchange Management Act, 1999 have not been obtained from the Reserve Bank of India for the extension of period.

The ultimate outcome of the matters mentioned above, in paragraphs (a) and (b) cannot be presently determined. Pending the final outcome, no adjustments have been made in this regard, in the financial statements. Our opinion is not qualified in respect of the aforesaid matters.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept by the Company so far as it appears from our examination of those books and reports of the other auditors.



- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the Directors of the Holding Company and subsidiary company incorporated in India as on March 31, 2016, and taken on record by the Board of Directors of the Holding Company and subsidiary company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i. There were on pending litigations which would impact the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contract including derivative contracts.
 - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

**For C K S ASSOCIATES
Chartered Accountants
(F.R.No. 007390S)**

Sd/-
P. GANAPATHI RAO
Partner
M.No. 024113

**HYDERABAD
May 02, 2016**



ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT:

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”):

We have audited the internal financial controls over financial reporting of **VISHNU CHEMICALS LIMITED** (“hereinafter referred to as the ‘Holding Company’) and its subsidiary company incorporated in India as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company its subsidiary company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary company which is incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

**For C K S ASSOCIATES
Chartered Accountants
(F.R.No. 007390S)**

Sd/-
**P. GANAPATHI RAO
Partner
M.No. 024113**

**HYDERABAD
May 02, 2016**



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

	Note No.	31-Mar-16 ₹	31-Mar-15 ₹
I EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share Capital	1	594,460,200	594,460,200
b. Reserves and Surplus	2	1,064,988,898	790,339,369
		1,659,449,098	1,384,799,569
2. NON-CURRENT LIABILITIES			
a. Long Term Borrowings	3	648,941,451	561,096,600
b. Deferred Tax Liabilities (Net)	4	290,705,045	289,159,308
c. Other Long Term Liabilities	5	385,231,287	661,740,000
d. Long Term Provisions	6	17,810,515	6,711,535
		1,342,688,298	1,518,707,443
3. CURRENT LIABILITIES			
a. Short Term Borrowings	7	1,318,780,631	1,046,534,558
b. Trade Payables	8	1,240,061,294	587,529,888
c. Other Current Liabilities	9	549,259,925	299,616,537
d. Short Term Provisions	10	93,032,470	87,512,461
		3,201,134,320	2,021,193,444
TOTAL		6,203,271,716	4,924,700,456
II. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed Assets	11		
i. Tangible Assets		2,022,626,471	1,860,057,570
ii. Intangible Assets		354,367	-
iii. Capital Works-in-progress		661,197,075	440,914,155
		2,684,177,913	2,300,971,725
b. Non-Current Investments	12	3,940,000	3,040,000
c. Long Term Loans and Advances	13	162,995,615	62,774,764
		2,851,113,528	2,366,786,489
2. CURRENT ASSETS			
a. Inventories	14	1,729,241,581	1,156,133,253
b. Trade Receivables	15	1,153,700,244	893,858,870
c. Cash and Bank Balances	16	110,605,051	117,668,073
d. Short Term Loans and Advances	17	327,674,548	347,555,733
e. Other Current Assets	18	30,936,764	42,698,038
		3,352,158,188	2,557,913,967
TOTAL		6,203,271,716	4,924,700,456

Refer to Accompanying Notes to Financial Statements

Per our Report of even date

For and on behalf of the Board of Directors

For C K S ASSOCIATES
Chartered Accountants
FRN: 007390S

Sd/-
Cherukuri Krishna Murthy
Chairman & Managing Director
DIN: 00030274

Sd/-
Cherukuri Manjula
Director
DIN: 01546339

Sd/-
P. Ganapati Rao
M.No: 024113

Sd/-
T. Rama Krishna
Chief Financial Officer

Sd/-
Shruti Gupta
Company Secretary

Hyderabad
May 02, 2016


CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

	Note No.	31-Mar-16 ₹	31-Mar-15 ₹
1. REVENUE			
a. Revenue from Operations	19	4,801,012,181	4,180,710,212
b. Other Income	20	20,232,376	8,349,907
Total Revenue		4,821,244,557	4,189,060,119
2. EXPENSES			
a. Cost of Materials Consumed		2,469,580,337	1,948,468,053
b. Changes in Inventories of Finished Goods & Work-in-Progress	21	(456,568,043)	(110,061,441)
c. Employee Benefit Expense	22	211,836,363	163,924,066
d. Finance Costs	23	344,249,629	314,770,802
e. Depreciation and Amortisation Expense	11	133,785,328	122,180,645
f. Corporate Social Responsibility Expenses	24	1,979,181	936,227
g. Other Expenses	25	1,758,119,993	1,407,311,762
Total Expenses		4,462,982,788	3,847,530,114
3. PROFIT BEFORE TAX		358,261,769	341,530,005
4. TAX EXPENSE			
a. Current Tax		140,600,467	107,986,451
b. Tax Pertaining to Earlier Years		3,609,521	(2,082,560)
c. Deferred Tax	4	1,545,737	16,802,197
		145,755,725	122,706,088
5. PROFIT FOR THE YEAR AFTER TAX		212,506,044	218,823,917
EARNINGS PER SHARE			
Par Value Per Share Rs. 10/- Basic & Diluted		14.42	14.97

Refer to Accompanying Notes to Financial Statements

Per our Report of even date

For and on behalf of the Board of Directors

For C K S ASSOCIATES
Chartered Accountants
FRN: 007390S

Sd/-
Cherukuri Krishna Murthy
Chairman & Managing Director
DIN: 00030274

Sd/-
Cherukuri Manjula
Director
DIN: 01546339

Sd/-
P. Ganapati Rao
M.No: 024113

Sd/-
T. Rama Krishna
Chief Financial Officer

Sd/-
Shruti Gupta
Company Secretary

Hyderabad
May 02, 2016


Consolidated Cash flow statement for the year 2015-16

	2015-16 (Audited)	2014-15 (Audited)
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit After Tax and Extraordinary items	179,721,777	218,823,917
Adjustments for:		
Depreciation	132,274,926	122,180,645
Deferred Tax	1,545,737	16,802,197
Prior Period Capitalisation of Interest Adjusted against Reserves	(21,597,000)	
Income Tax (Provision)	140,538,246	107,986,451
Diff in foreign Exchange	(14,803)	-3153
Income Tax (Prior Period Taxes)	3,609,521	(2,082,560)
Profit on Sale of Fixed Assets / Investments	436,274	
Interest Paid	349,116,850	314,770,801
Miscellaneous expenditure written off	-	
Interest Earnings	(12,185,061)	(8,013,908)
Operating profit before Working Capital changes	773,446,467	770,464,390
Adjustments for:		
(Increase)/Decrease in Trade and Other Receivables	(286,681,316)	(269,181,581)
(Increase)/Decrease in Inventories	(553,921,044)	(295,618,778)
Increase/(Decrease) in Trade Payables & Other Current Liabilities	883,606,375	99,621,001
(Increase)/Decrease on Loans & Advances & Other Current Assets	(131,080,190)	(116,557,071)
Cash deficit from Operations	(88,076,175)	(581,736,429)
Direct Tax paid	(81,720,032)	(47,632,448)
	62,219	
Dividend paid	(23,892,040)	(14,391,928)
Cash generated from Operations	(193,626,028)	(643,760,805)
Net Cash Flow from operating activities	579,820,439	126,703,585
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(56,682,405)	(19,076,812)
Sale Proceeds from Fixed Assets	-	-
Investments	(12,781,300)	-
Capital Work-in-progress	(212,483,881)	(77,436,927)
Increase / Decrease in Share Capital	2,333,867	-
Interest Received	12,185,061	8,013,908
Net Cash used in investing activities	(267,428,658)	(88,499,831)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	296,598,676	300,000,000
Repayment of term liabilities	(134,175,049)	(107,570,363)
Increase in Bank Borrowings Working Capital	259,638,809	9,108,174
Other Un Secured Loans	(392,677,893)	125,214,955
Interest Paid	(349,116,850)	(314,770,801)
Net Cash used in financing activities	(319,732,307)	11,981,965
Net increase / Decrease in cash and cash equivalents	(7,340,527)	50,185,719
Cash and cash equivalents as at 01.04.2015	117,945,578	67,482,354
Cash and Cash equivalents as at 31.03.2016	110,605,051	117,668,073

Refer to Accompanying Notes to Financial Statements
Per our Report of even date
For and on behalf of the Board of Directors
For C K S ASSOCIATES
Chartered Accountants
FRN: 007390S
Sd/-
Cherukuri Krishna Murthy
Chairman & Managing Director
DIN: 00030274
Sd/-
Cherukuri Manjula
Director
DIN: 01546339
Sd/-
P. Ganapati Rao
M.No: 024113
Sd/-
T. Rama Krishna
Chief Financial Officer
Sd/-
Shruti Gupta
Company Secretary
Hyderabad
May 02, 2016



Significant Accounting Policies:

a) Accounting Convention and Basis:

The financial statements are prepared under the historical cost convention as a going concern in accordance with the generally accepted accounting principles and are based on accrual concept of accounting.

b) Basis of Consolidation:

The Consolidated Financial Statements relate to Vishnu Chemicals Limited (the Holding Company) and its foreign subsidiary, Vishnu Hong Kong Limited (“the group”).

The financial statements are prepared in accordance with Accounting Standard 21 (AS 21), Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.

All intercompany transactions, balances and unrealized surplus and deficit on transactions between the companies are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances as stipulated in the provisions of AS 21.

As the Subsidiary is Wholly Owned by Vishnu Chemicals Limited, there is no minority interest involved.

c) Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the income and expenditure for the reporting year. Though these estimates and assumptions are based on the information available at that point in time, the actual results could differ from these estimates.

d) Fixed Assets and Capital Work-in-Progress:

Fixed assets are stated at cost (net of Cenvat credit & Vat) less accumulated depreciation and inclusive of all costs including financial expenses incurred till the asset is put to use. Indirect & Pre-operative expenses related or attributable to the Capital works up to commencement of commercial production are added to the cost of fixed assets in the year of commencement of commercial Production.

e) Depreciation:

Depreciation is provided on Straight Line Method in respect of assets situated at Bhilai, Jeedimetla (API), Corporate Office and Vizag Units and on Written down value Method in respect of assets situated at Kazipalli Unit, by considering the useful life of the assets as specified in the Schedule II of the Companies Act, 2013. The Subsidiary Company has no assets.

f) Impairment of Assets:

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with accounting standard 28 on “Impairment of Assets” issued by ICAI. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized is reversed if there has been a change in the estimate of recoverable amount.

g) Inventories:

Inventories are valued at lower of cost or net realizable value on FIFO basis. Inventories comprise of raw materials, stores, spares & consumables and finished goods. Cost of Inventories comprises all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.



h) Sales:

Gross Sales comprise of Sale Value net of returns, internal transfers, Sales Tax & rebates and are inclusive of excise duty and Freight.

i) Revenue recognition:

Revenue is recognized on the transfer of property of goods as per contractual terms.

j) Borrowing Costs:

Borrowing costs attributable to a qualifying asset are capitalized as a part of the cost of assets/ and other borrowing costs are recognized as an expense in the year of incurrence.

k) Excise duty and Sales Tax:

The liability of excise duty on finished goods lying in stock at the close of the year is provided for in the accounts and included in the valuation of Inventory as per the guidance note issued by ICAI.

l) Employee Benefits:

- i) Contribution to Provident and pension Funds are funded with appropriate authorities and charged to the profit and loss account.
- ii) Liability for gratuity and leave encashment is provided on the basis of actuarial valuation based on the projected unit credit method. Actuarial gains or losses are recognized in the Statement of Profit and Loss.

m) Investments:

Long term investments are stated at cost net of provision for diminution in value other than temporary, if any. Current investments are carried at lower of cost or fair market value.

n) Research & Development Expenditure:

Capital Expenditure incurred is disclosed separately in schedule of fixed assets and revenue expenditure incurred during the Research phase is charged to the Profit and Loss in the year of incurrence.

o) Foreign Currency Transactions:

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are recognized using the exchange rate as on that date. Gains/Losses arising from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are accounted for in the Statement of Profit and Loss.

The assets and liabilities, both monetary and non-monetary, of the subsidiary company (being non-integral foreign operation) are translated at the closing rate and items of income & expense are translated at the average rate for the period and the resulting exchange differences are accumulated in the foreign currency translation reserve until the disposal of net investment as per the provisions of AS 11, issued by ICAI.

p) Taxes on Income:

Holding Company:

Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized, subject to consideration of prudence, on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Foreign Subsidiary:

The foreign subsidiary recognizes the tax liability as per the tax rates and tax laws of that Country.



Note 1

SHARE CAPITAL

	2015-16 ₹	2014-15 ₹
Authorised Share Capital		
15,000,000 Equity Shares of ₹10/- par value	150,000,000	150,000,000
60,000,000 7% Redeemable Preference Shares of ₹ 10/- par value	600,000,000	600,000,000
	750,000,000	750,000,000
Issued,Subscribed and Fully Paid-Up Capital		
<u>EQUITY SHARES</u>		
<i>At the beginning and close of the year</i>		
11,946,020 Equity Shares of ₹10/- par value	119,460,200	119,460,200
<u>PREFERENCE SHARES</u>		
<i>At the beginning and close of the year</i>		
47,500,000 7% Redeemable Preference Shares of ₹10/- par value	475,000,000	475,000,000
Total	594,460,200	594,460,200

Disclosures:

- All the equity shares carry equal rights and obligations including for dividend and with respect to voting rights.
- 7% Redeemable Preference Shares which are cumulative in nature are liable to be redeemed at par after the expiry of ten years ending with March, 2018 (₹ 4000 Lakhs) and September, 2019 (₹750 Lakhs)
- Dividend on Redeemable Preference Share Capital:**Dividends on the 7% Redeemable Preference Share Capital of ₹4750 Lakhs has not been provided for the year 2015-16. However, as the Preference Shares are cumulative in nature, the amount payable as dividend for the year of ₹332.50 Lakhs (₹332.50 Lakhs) is being shown as a Contingent liability.
- Names of shareholders holding more than 5% of the Share capital and their shareholding.

EQUITY SHARES

S.No.	Name of shareholder	31.03.2016	31.03.2015
1	Ch. Krishna Murthy - No of Shares	6,219,790	6,219,790
	- % held	52.07	52.07
2	Ch. Manjula - No of Shares	1,614,048	1,614,048
	- % held	13.51	13.51
3	Ch. Sidhartha - No of Shares	1,125,668	1,125,668
	- % held	9.42	9.42

S.No.	Name of shareholder	31.03.2016	31.03.2015
1	Ch. Krishna Murthy - No of Shares	44,100,000	44,100,000
	- % held	92.84	92.84
2	Ch. Manjula - No of Shares	3,250,000	3,250,000
	- % held	6.84	6.84
3	Ch. Sidhartha - No of Shares	150,000	150,000
	- % held	0.32	0.32


Note 2
RESERVES & SURPLUS

1. Capital Reserve		
Balance at the beginning of the year	-	
Addition during the year		
<i>At the beginning and close of the year</i>	98,288,261	86,040
2. Foreign Currency Translation Reserve		
Balance at the beginning of the year	(3,153)	-
Addition during the year	(13,612)	(3,153)
Balance at the closing of the year	(16,765)	(3,153)
3. General Reserve		
Balance at the beginning of the year	50,907,106	29,000,000
Addition during the year	15,000,000	21,907,106
Balance at the closing of the year	65,907,106	50,907,106
4. Surplus		
Balance brought forward from previous year	739,349,376	572,643,410
Less: Capitalisation of interest on fixed assets during Construction adjusted	21,597,000	-
Less: Depreciation in respect of assets whose useful life expired	-	13,73,212
Less: Due to Foreign Exchange fluctuation	2,419	-
Balance available	717,749,957	571,270,198
Add: Transfer from Statement of Profit and Loss for the year	212,506,044	218,823,917
Balance available for Appropriations	930,256,001	790,094,115
Appropriations:		
Transfer to General Reserve		
a Interim Dividend	11,946,020	11,946,020
b Tax on Dividend	2,499,685	2,445,908
c Proposed Final Dividend	-	11,946,020
d Tax on Final Dividend	-	2,499,685
c. Transfer to General Reserve	15,000,000	21,907,106
Balance carried forward to next year	900,810,296	739,349,376
Total	1,064,988,898	790,339,369

Note 3
LONG TERM BORROWINGS

A. Secured:		
1. Term Loans:		
From Banks	560,195,923	444,291,868
2. Long Term Maturities of Finance Lease Obligations:		
From Banks	1,297,036	7,205,713
B. Unsecured:		
1. Loans and Advances from Related Parties:		
Loans from directors	87,448,492	109,599,019
Total	648,941,451	561,096,600


Disclosures:

Terms & Conditions of the above Loans are given below:

A) Secured Loans:

1. Term Loans from banks represents loans from Consortium of Bankers - State Bank of Hyderabad, Andhra Bank, Indian Overseas Bank and Union Bank of India. Term Loans are secured by charge on the assets acquired out of the term loan including mortgage of building constructed and charge on entire existing movable/immovable assets of the Company. The above loans are further secured by personal guarantee of promoter Directors and others. All the above securities rank in all respects pari passu amongst the consortium of bankers.
2. The term loans are repayable in equated periodic instalments outstanding up to 7 years (5 Years) period from the date of respective loan. These are repayable by 2022-23 (2019-20) and carry an average interest of 14.30% p.a. The aggregate amount of instalments outstanding as on March 31, 2016 is Rs. 7596.46 Lakhs (Rs. 5994.92 Lakhs)
3. The hire purchase loans are secured against the assets purchased out of those loans. The net carrying amount of assets acquired on hire purchase as on 31st March 2016 is Rs. 2,57,82,362/- (Rs. 2,87,62,648/-). The company had capitalized the assets at their fair value considering that the hire purchase agreements are in the nature of Finance Lease as defined in Accounting Standard 19 on "Leases". Installment payment are apportioned between Finance charge and Principal which is disclosed under secured loans. The details are as follows:-

Particulars	Minimum Lease Payments outstanding	Future Interest on outstanding Lease payments	Present Value of Minimum Lease payments
Within one Year	6,622,840 (9,688,413)	480,574 (1,581,344)	6,142,266 (8,107,069)
Later than one year and not later than 5 years	1,397,700 (7,786,950)	100,664 (581,237)	1,297,036 (7,205,713)

Figures in the brackets relate to Previous Financial year

B) Unsecured Loans:

Terms and Conditions:

- a. Loans from Directors (Non-interest bearing) : No terms specified

Note 4
DEFERRED TAX LIABILITIES (NET)

1. Deferred Tax Liability On account of Timing differences in Depreciation of Fixed Assets	852,193,344	858,412,422
2. Deferred Tax Assets Provision for Gratuity and Leave Encashment	12,199,572	7,693,662
Net Deferred Tax Liabilities / (Assets) for the Year	839,993,772	850,718,760
Provision for Deferred Tax at the beginning of the year	289,159,308	272,357,111
Deferred Tax for the year	1,545,737	16,802,197
Deferred Tax Liability / (Asset) - Total	290,705,045	289,159,308

Disclosures:

The Company has provided for Deferred Tax in accordance with the Accounting Standard on "Accounting for Taxes on Income" (AS 22) issued by the institute of Chartered Accountants of India. The details of deferred tax assets and liabilities of the Company as on the date of Balance Sheet are as given above:


Note 5
OTHER LONG TERM LIABILITIES

Security Deposits	385,231,287	412,500,000
Advance from Customers secured against Bank Guarantee	--	249,240,000
Total	385,231,287	661,740,000

Disclosures:

- c Security Deposits from Customers & Suppliers : Repayable after two years

Note 6
LONG TERM PROVISIONS

Provision for Employee Benefits (Funded)	17,810,515	6,711,535
Total	17,810,515	6,711,535

Note 7
SHORT TERM BORROWINGS

A. Secured:		
Loans repayable on demand		
From Banks :	1,284,050,396	1,024,411,587
B. Unsecured:		
From Others :		
Inter Corporate Loans	1,632,000	-
Others	33,098,235	22,122,971
	34,730,235	22,122,971
Total	1,318,780,631	1,046,534,558

Disclosures:
A) Secured Loans:

- The Rate of Interest for Loans repayable on demand from Banks ranges from respective Banks Base Rate +2.50% to 4.75%

- Security:**

Working Capital Loans from Consortium Bankers consisting of State Bank of Hyderabad, State Bank of India, Union Bank of India, Indian Overseas Bank, Andhra Bank and Punjab National Bank are secured by first pari passu charge by way of hypothecation of inventories, book debts and other current assets of the company, and second pari passu charge on the fixed assets of the company. The directors have extended their personal security i.e Land, Plots, Buildings & Shares etc.

- Guarantees:**

All the above loans are guaranteed by the Promoter Directors.

B) Unsecured Loans:

- Inter Corporate Loans:**

These loans carry Interest rate of 15.5% and are repayable on demand


Note 8

TRADE PAYABLES		
Trade payables	1,240,061,294	587,529,888
Total	1,240,061,294	587,529,888

Disclosure:

The Company has no information as to whether any of its vendors constitute a "Supplier" within the meaning of Section 2 (n) of the Micro, Small and Medium Enterprises Development Act, 2006 as no declarations were received under the said Act from them.

Note 9

OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer Note 3)	180,700,000	155,200,000
Current maturities of finance lease obligations (Refer Note 3)	6,142,266	8,107,069
Interest accrued and due on borrowings	10,143,052	6,680,652
Term Loan Instalment due but not paid	18,750,000	
Creditors for Capital Expenditure	29,982,066	37,487,921
Advance from Customers secured against Bank Guarantee	147,301,159	-
Advance from Customers	4,804,310	-
Advance from Contractors	455,812	392,847
Unpaid dividends	3,392,390	458,904
Other payables		
a. Sales Tax Deferment	1,337,720	6,066,313
b. Statutory dues Payable	146,251,150	85,222,830
Total	549,259,925	299,616,536

Note 10
SHORT TERM PROVISIONS

1. Provision for Employee Benefits(Net)	5,728,905	982,127
2. Others		
a. Provision for Final Dividend	-	11,946,020
b. Provision for Tax on Final Dividend	-	2,499,685
c. Provision for Tax (Net of TDS)	139,573,953	106,928,166
Less : MAT Credit Utilisation	52,270,388	34,843,537
Net Provision for Tax	87,303,565	72,084,629
Total	93,032,470	87,512,461



11. Fixed Assets - Consolidated

	Tangible assets										Intangible Assets	
	Free hold land	Buildings	Plant and equipment	Office equipment	Data Process Equipment	Furniture and Fixtures	Vehicles	R&D Equipment	Lab Equipment	Total	Computer software	
Cost												
April 01, 2015	80,027,172	727,104,949	2,413,066,116	8,673,410	9,084,280	13,984,991	40,147,974	39,282,883	5,381,135	3,336,752,910	1,341,026	
Additions	629,000	24,309,632	57,964,689	817,613	564,299	778,422	3,386,954	-	-	88,450,609	366,413	
Disposals/discard	-	11,602,000	20,968,890	-	-	-	-	-	-	32,570,890	-	
March 31, 2016	80,656,172	739,812,582	2,450,061,914	9,491,023	9,648,579	14,763,413	43,534,928	39,282,883	5,381,135	3,392,632,629	1,707,439	
Depreciation												
April 01, 2015	-	196,505,611	984,470,749	6,204,891	8,543,351	8,777,710	17,455,693	20,680,306	4,568,457	1,247,206,766	1,341,026	
Charge for the year	-	31,146,084	88,005,602	691,554	358,114	1,047,177	4,257,666	7,855,807	411,279	133,773,282	12,046	
Disposals/discard	-	2,783,000	8,190,890	-	-	-	-	-	-	10,973,890	-	
At March 31, 2016	-	224,868,694	1,064,285,461	6,896,445	8,901,465	9,824,887	21,713,359	28,536,113	4,979,736	1,370,006,158	1,353,072	
Net Block												
At March 31, 2015	76,375,872	495,039,011	1,239,738,008	1,958,373	427,388	4,991,790	22,111,873	18,602,577	812,678	1,860,057,570	-	
At March 31, 2016	80,656,172	514,943,887	1,385,776,454	2,594,578	747,114	4,938,526	21,821,569	10,746,770	401,399	2,022,626,471	354,367	

Capital work in progress Rs. 661,197,075 (March 31, 2015 : Rs.448,713,194)

Note: Previous year figures includes subsidiary company of Solvay Vishnu Varium Private Limited as it was acquired during the Financial Year 2015-16.



Note 12

NON-CURRENT INVESTMENTS

1 Non Trade Investments - Unquoted (At Cost)		
i Investment in Equity Instruments		
a. Equity Shares in Koganti Power Ltd (60,000 Nos each Rs. 10/- Fully Paid Up)	600,000	600,000
b. Equity Shares in Sireen Drugs P Ltd (1,000 Nos each Rs. 10/- Fully Paid Up)	10,000	10,000
ii Investment in Bonds		
a. IDBI Bonds - 6 Bonds of Rs. 5000/- each	30,000	30,000
2 Non Trade Investments - Quoted (At Cost)		
a. 39138 units (39138) - PNB Mutual Fund	1,000,000	1,000,000
b. 79980 Units (89990) - UBI Mutual Fund	800,000	900,000
c. 12136 Units (12136) - SBI Mutual Fund	500,000	500,000
d. 26959 Units (Nil) - SBI Life Wealth Builder fund	1,000,000	-
Total	3,940,000	3,040,000

Disclosures:

1. Quoted Investments:		
1. Aggregate Value	3,300,000	2,400,000
2. Market Value	4,545,283	3,912,441
2. Unquoted Investment - Aggregate Value	640,000	640,000

Note 13

LONG TERM LOANS & ADVANCES

Unsecured, Considered Good:		
1. Capital Advances	108,797,752	36,379,628
2. Deposits	54,197,863	26,395,136
Total	162,995,615	62,774,764

Note 14

INVENTORIES

Valued at Cost or Realisable Value, whichever is lower		
Raw Materials	429,679,179	341,175,750
Work-in-Progress	274,438,857	241,469,608
Finished Goods	869,064,678	417,598,960
Stores, Spares & Packing	153,405,961	141,855,499
Stock in Transit	2,652,906	14,033,436
Total	1,729,241,581	1,156,133,253

Note 15

TRADE RECEIVABLES

Unsecured, Considered Good		
1. Outstanding for a Period Exceeding Six Months	197,361,477	145,198,944
2. Other Receivables	956,338,767	748,659,926
Total	1,153,700,244	893,858,870



Note 16

CASH AND BANK BALANCES

1. Cash & Cash Equivalents:		
1. Balances with Banks	6,342,374	18,481,770
2. Cash on Hand	1,236,189	2,539,317
2. Other Bank Balances		
a. Margin Money Deposit in Banks against LCs & BGs	99,634,098	96,188,082
b. Unpaid Dividend Accounts	3,392,390	458,904
Total	110,605,051	117,668,073

Note 17

SHORT TERM LOANS AND ADVANCES

<i>Unsecured, Considered Good</i>		
1. Loans and Advances to Related Parties		
a. Advances against Services to an interested concern	29,847,844	37,824,724
2. Others -		
a. Advances to Suppliers	106,757,369	131,914,639
b. Other Advances	20,317,458	7,930,448
c. Balances with Government Authorities	162,712,540	107,128,550
d. Prepaid Expenses	5,085,837	3,970,225
e. Prepaid Taxes	-	3,563,259
f. MAT Credit Entitlement	2,953,500	55,223,888
Total	327,674,548	347,555,733

Note 18

OTHER CURRENT ASSETS

Interest Receivable	4,783,686	3,579,138
Export / Power Incentives Receivable	26,153,078	26,068,949
Insurance Claim Receivable	-	13,049,951
Total	30,936,764	42,698,038


Note 19
REVENUE FROM OPERATIONS

PARTICULARS	2015-16 ₹	2014-15 ₹
1. Sale of Products	5,142,197,745	4,461,057,893
2. Other Operating Revenues		
a. Sale of Scrap	10,056,235	5,730,165
b. Testing Charges	6,539,801	6,921,833
c. Export Incentives	31,241,675	27,950,447
	47,837,711	40,602,445
Less: Excise Duty	389,023,275	320,950,126
Total	4,801,012,181	4,180,710,212

Note 20

OTHER INCOME		
1. Interest Income Earned	11,543,674	8,013,908
2. Other Non-Operating Income:		
Insurance Claim Received	8,688,702	335,999
Total	20,232,376	8,349,907

Note 21
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

1. Finished Goods		
a. Opening Stock:	445,465,884	317,443,819
b. Closing Stock:	869,064,678	417,598,960
	(423,598,794)	(100,155,141)
2. Work-in-Progress		
a. Opening Stock:	241,469,608	231,563,308
b. Closing Stock:	274,438,857	241,469,608
	(32,969,249)	(9,906,300)
Total Decrease / (Increase)	(456,568,043)	(110,061,441)

Note 22

EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	194,118,571	143,865,477
Contribution to Provident and Other Funds	8,743,280	6,056,757
Staff Welfare Expenses	8,974,512	14,001,832
Total	211,836,363	163,924,066

Note 23
FINANCE COSTS

Interest Expenses	267,432,801	261,246,432
Interest on Others	27,342,347	17,945,934
Interest on Income Tax	5,909,465	3,843,791
Other Borrowing Costs	43,565,016	31,734,645
Total	344,249,629	314,770,802


Note 24

CORPORATE SOCIAL RESPONSIBILITY EXPENSES		
Construction of Class Room in a School	-	452,276
Purchase of Water Tanker for a Village	561,400	194,251
Plantation Expenses	187,781	262,500
Distribution of books to School Children	-	27,200
Swacha Bharat Mission Programme	600,000	-
Center for Training Research & Devolpment	630,000	-
Total	1,979,181	936,227

Disclosures

a. Gross amount required to be spent by the company during the year	3,932,037	2,330,710
b. Amount Spent during the year on:	1,979,181	936,227

Note 25

OTHER EXPENSES		
Consumables - Furnace Oil , Diesel & Pet Coke	366,430,587	329,062,513
Consumables - Husk & Coal	143,251,998	107,536,037
Power	278,196,862	197,401,759
Rent	40,259,877	27,518,484
Equipment Hire Charges	35,650,833	33,664,454
Repairs & Maintenance - Buildings	3,818,679	3,210,074
Repairs & Maintenance - Machinery	117,546,141	109,489,168
Insurance	14,800,510	9,690,697
Rates & Taxes	22,987,386	20,417,887
Labour costs	36,240,350	43,177,978
Packing Charges	117,505,294	94,476,154
Shipping & Forwarding Charges	204,889,439	203,014,438
Other Selling Cost	40,813,784	38,888,882
Bank Charges	27,550,931	21,361,607
Transportation Charges	70,203,930	45,877,072
Effluent Disposal Expenses	72,602,251	52,212,603
Net Loss on Foreign Currency Transaction & Translation	26,055,940	(17,375,410)
Factory/Godown Maintenance	26,857,602	22,739,557
Travelling, Vehicle Maintenance & Conveyance	28,726,280	25,667,939
Professional & Consultancy Charges	6,980,019	8,920,983
Security Charges	5,371,502	4,962,774
Excise Duty Adjustment on Closing Stock	28,678,268	9,086,775
Miscellaneous Expenses	42,701,530	16,309,337
Total	1,758,119,993	1,407,311,762



Notes to Consolidate Financial Statements:

26. Vishnu Hong Kong Limited and Solvay Vishnu Barium Private Limited are the wholly owned subsidiaries of the Company. Solvay Vishnu Barium Private Limited has become a wholly owned subsidiary company during the year under review, and hence the previous year's figures are not comparable.

27. CONTINGENT LIABILITIES AND COMMITMENTS (To the Extent Not Provided For):

(in lakhs)

	As on 31.03.2016	As on 31.03.2015
1. Contingent Liabilities:		
a. Claims against company not acknowledged as debt.	67,199,349	22,595,226
b. Indemnity given by company to the banks for Bank guarantees and Letter of Credit	112,628,720	434,581,250
2. Commitments:		
a. Dividend on 7% Cumulative Redeemable Preference Shares including Dividend Tax	303,126,379	262,918,872
b. Capital Contracts Pending	79,326,454	-

28. The Company had entered into an agreement for transportation services in an earlier year with Vasantha Transport Corporation, in which a Director of the Company was interested. The Company had taken prior approval from the Central Government towards the services for an amount of Rs. 6,000,000. The Company had paid Rs. 7,439,060 towards the said services up to March 31, 2006. The Company had applied for obtaining the approval for the excess amount paid and for compounding of the offence U/s 621A of the Companies Act, 1956, the approval of which is yet to be received. Management is confident that the penalties, if any, that may arise on account of such compounding of offence, would not be material, hence no adjustments have been made in the financial statements.

29. Other Current Liabilities include Rs. 14,635,359 (March 31, 2015 :Rs. 13,809,721) and Rs. Nil (March 31, 2015 : Rs. 2,572,444) payable to foreign company towards advance received and sales commission respectively, which have been outstanding for a period of more than three years. Requisite approvals under the provisions of Foreign Exchange Management Act, 1999 have not been obtained from the RBI for the extension of period. The Company is in the process of seeking permission from RBI for extension of the period. Management is confident that the penalties, if any, that may arise on account of such non-compliance, would not be material. hence no adjustments have been made in the financial statements.

30. Segment Reporting:

Geographic Segment:

The Company has two (2) Geographical Segments, i.e., (1) Domestic (2) Overseas.

Revenue attributable to location of customers is as follows:

(in Lakhs)

Geographic Location	2015-16 Revenue	2014-15 Revenue	2015-16 %	2014-15 %
Domestic	33094.24	29074.88	64.36	65.17
Overseas	18327.74	15535.70	35.64	34.83



Sundry Debtors based on Geographical Location:

(Rs. in lakhs).

Geographic Location	As on 31.03.2016	As on 31.03.2015	3103.2016 %	31.03.2015 %
Domestic	5488.45	5280.35	47.57	59.07
Overseas	6048.56	3658.24	52.43	40.93

There are no Units / Assets outside India except Overseas Debtors.

(Rs. in lakhs).

Geographic location	Carrying amount of Segment Assets		Additions to Fixed Assets.	
	2015-16	2014-15	2015-16	2014-15
India	55984.16	45588.76	888.17	190.77

31. Related Party Disclosures:
Key Management Personnel:

1. Sri. Ch. Krishna Murthy, CMD
2. Smt. Ch. Manjula, Director
3. Sri Ch. Siddartha, Director
4. Sri. T. Rama Krishna, CFO
5. Ms. Shruti Gupta, CS

Concerns in which key management personnel are Proprietors/Directors:

1. Vasantha Transport Corporation
2. KMS Infrastructure Limited
3. Vishnu Life Sciences Limited
4. Vishnu Hong Kong Limited – wholly owned subsidiary company
5. Solvay Vishnu Barium Pvt Ltd - wholly owned subsidiary company

Details of Transactions:

(Rs. in Lakhs)

Nature of Transaction	Key Management Personnel		Concerns in which Key Management is interested	
	2015-16	2014-15	2015-16	2014-15
Remuneration	141.63	132.75	--	--
Rent	--	--	6.00	4.20
Transportation Charges	--	--	1798.41	1441.75
Purchases	--	--	59.33	63.73
Hire Charges	--	--	42.26	1.20
Contract Service	--	--	16.46	79.80
Advances to Interested Concerns	--	--	290.38	378.25
Payables as on 31 st March, 2016	--	--	36.78	16.24



32. Earnings per share (Rs. In lakhs)

	2015-16	2014-15
Profit After Tax	2125.06	2188.24
Less: Preference Dividend for the year and Dividend Tax thereon	402.07	402.07
Profit available to Equity Share Holders (a)	1722.99	1786.16
Weighted Average no of Shares Basic & Diluted (b)	11,946,020	11,946,020
Earning per Share Basic & Diluted (a)/(b)(₹)	14.42	14.95

33. Employee Benefits:

Defined benefit plans as per actuarial valuation on 31st March, 2016

(Rs. in lakhs)

	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15	Leave Encashment (Funded) 2015-16	Leave Encashment (Funded) 2014-15
1 Assumptions:				
Discount Rate	7.46%	7.77%	7.46%	7.77%
Escalation	3%	3%	3%	3%
2 Changes in present value of obligations:				
Present value of obligations at beginning of year	111.63	61.14	59.76	41.58
Interest Cost	8.48	6.81	4.58	3.64
Current Service Cost	8.99	11.36	15.78	14.22
Benefits Paid	(5.05)	(10.91)	(1.53)	(2.32)
Actuarial (gain)/ loss on obligation	41.79	23.23	(9.50)	2.64
Present Value of obligation at end of year	165.84	111.64	69.09	59.76
3 Changes in fair value of plan assets:				
Fair value of plan assets at beginning of year	36.05	39.92	58.41	42.30
Adjustment to Opening balance	5.98	--	0.95	--
Expected return on plan assets	3.30	3.28	4.89	4.44
Contributions	0.02	3.93	0.05	14.68
Benefits paid	(5.05)	(10.91)	(1.53)	(2.32)
Actuarial gain /(loss) on plan assets	0.02	(0.18)	0.03	(0.69)
Fair value of plan assets at the end of year	40.31	36.05	62.81	58.41
4 Fair value of plan assets:				
Fair value of plan assets at beginning of year	36.05	39.92	58.41	42.30
Adjustment to Opening balance	5.98	--	0.95	--
Actual return on plan assets	3.32	3.11	4.92	3.74
Contributions	0.02	3.93	0.05	14.68
Benefits paid	(5.05)	(10.91)	(1.53)	(2.32)
Fair value of plan assets at the end of year	40.31	36.05	62.81	58.41
Funded status	(125.53)	(75.59)	(6.28)	(1.35)
Excess of Actual over estimated return on plan assets (actual rate of return = Estimated rate of return as ARD falls on 31 st march)	0.02	(0.18)	0.03	(0.69)
5 Actuarial gain/(loss) for the year – Recognized				
Actuarial gain/(loss) for the year – Obligation	(41.79)	(23.23)	9.50	(2.63)
Actuarial gain/(loss) for the year – plan assets	(0.02)	(0.18)	0.03	(0.69)



Total (gain)/ loss for the year	(41.77)	(23.40)	9.53	3.33
Actuarial (gain)/loss recognized in the year	(41.77)	(23.40)	9.53	3.33
6 The amounts to be recognized in the balance sheet and Statements of Profit and Loss				
Present value of obligations as at the end of year	165.84	111.64	69.09	59.75
Fair value of plan assets as at the end of the year	40.31	36.05	62.81	58.41
Funded status	(125.53)	(75.59)	(6.28)	(1.35)
Net assets / (liabilities) recognized in balance sheet	(125.53)	(75.59)	(6.28)	(1.35)
7 Expenses recognized in statement of profit & loss				
Current service cost	8.99	11.36	15.78	14.22
Interest Cost	8.48	6.81	4.58	3.64
Expected return on plan assets	(3.30)	(3.28)	(4.89)	3.64
Net actuarial (gain)/ loss recognized in the year	41.77	23.40	(9.53)	3.33
Expenses recognized in statement of Profit & loss	55.94	38.30	5.94	16.75

34. Additional information pursuant to section 129 of the Companies Act, 2013 pertaining to the salient features of the Financial Statements of the Subsidiary:

Sl.No	Particulars		
1.	Name of the Subsidiary	Vishnu Hong Kong Limited	
2.	Percentage of Shareholding	100%	
3.	Reporting Currency of the Subsidiary	HKD	
Summary of the Financial Information:		HKD	INR
1.	Share Capital	283,000	2,414,358
2.	Reserves & Surplus	145,695	1,242,966
3.	Total Assets	2,653,554	22,638,265
4.	Total Liabilities	2,224,859	18,980,941
5.	Total Revenue for the Year	15,546,926	132,635,490
6.	Net Profit / (Loss) for the Year	176,399	1,504,909

Note: Exchange Rate of Rs. 8.5313 per HKD as on 31.03.2016 is adopted for translation.

Sl.No	Particulars	
1.	Name of the Subsidiary	Solvay Vishnu Barium Private Limited
2.	Percentage of Shareholding	100%
3.	Reporting Currency of the Subsidiary	INR
Summary of the Financial Information:		INR
1.	Share Capital	10,000,000
2.	Reserves & Surplus	48,845,448
3.	Total Assets	440,084,140
4.	Total Liabilities	381,238,692
5.	Total Revenue for the Year	213,402,208
6.	Net Profit / (Loss) for the Year	(49,356,773)



35. Additional information pursuant to the provisions of Schedule III of the Companies Act, 2013:

Sl	Name of the Entity	Net Assets		Share in Profit / (Loss)	
		Amount ₹ in Lakhs	As % of Consolidated Net Assets	Amount ₹ in Lakhs	As % of Consolidated Net Profit
1.	Holding Company Vishnu Chemicals Limited	16093.65	96.98	2603.58	122.52
2.	Subsidiaries:				
	Indian Subsidiary				
	Solvay Vishnu Barium Private Limited	488.45	2.94	(493.57)	(23.23)
	Foreign Subsidiary				
	Vishnu Hong Kong Limited	12.39	0.08	15.05	0.71
	TOTAL	16594.49	100.00	2125.06	100.00

Per our Report of even date

For and on behalf of the Board of Directors

For C K S ASSOCIATES
Chartered Accountants
FRN: 007390S

Sd/-
Cherukuri Krishna Murthy
Chairman & Managing Director
DIN: 00030274

Sd/-
Cherukuri Manjula
Director
DIN: 01546339

Sd/-
P. Ganapati Rao
M.No: 024113

Sd/-
T. Rama Krishna
Chief Financial Officer

Sd/-
Shruti Gupta
Company Secretary

Hyderabad
May 02, 2016



VISHNU CHEMICALS LIMITED

CIN: L85200TG1993PLC046359

Reg. Office: 6-3-662/B/4, II Floor, Sri Sai Nilayam,
Sangeetnagar Colony, Somajiguda, Hyderabad - 500082

ATTENDANCE SLIP

23rd ANNUAL GENERAL MEETING, 28th SEPTEMBER, 2016

Regd Folio./DP Id.- Client Id.	
Name of the Shareholder in Block Letters	
No. of shares held	
Name of the Proxy (if any) in Block Letters	

I Certify that, I am a member / proxy for the member of the Company

I hereby record my presence at the 23rd Annual General Meeting of the company being held on Wednesday, the 28th day of September, 2016, at 11.00 A.M at Hotel I.K. London, 6-3-656, Kapadia lane, Somajiguda, Hyderabad-500082.

Member / Proxy's signature

Note: Please complete the form and handover at the entrance of the hall.



VISHNU CHEMICALS LIMITED

CIN: L85200TG1993PLC046359

Reg. Office: 6-3-662/B/4, II Floor, Sri Sai Nilayam,
Sangeetnagar Colony, Somajiguda, Hyderabad - 500082

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and administration) Rules, 2014)

Name of the member(s)			
Registered Address:			
E-mail Id:			
Folio No. / Client Id:		DP ID	

I / We, being the member(s) ofShares of Vishnu Chemicals Limited hereby appoint:

1.	Name		
	E-mail ID		
	Address	Signature	

Or failing him

2.	Name		
	E-mail ID		
	Address	Signature	

Or failing him

3.	Name		
	E-mail ID		
	Address	Signature	

Or failing him

4.	Name		
	E-mail ID		
	Address	Signature	

As my/our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 23rd Annual General Meeting of the Company to be held on Wednesday, the 28th day of September, 2016 at 11.00 A.M at Hotel I.K. London, 6-3-656, Kapadia lane, Somajiguda, Hyderabad-500082 and at any adjournment thereof in respect of such resolutions as are indicated below:



Sl.No.	Resolutions	Optional*	
		For	Against
ORDINARY BUSINESS			
1.	Adoption of Financial Statement for the year ended 31 st March, 2016		
2.	Re-appointment of Smt. Ch. Manjula as Director who retires by rotation.		
3.	To confirm Interim Dividend of Re. 1/- per equity share already paid for the year ended 31st March, 2016 as Final Dividend		
4.	Appointment of Statutory Auditors of the company and to fix remuneration		
SPECIAL BUSINESS			
5.	To Re-appoint Sri Ch. Krishna Murthy (DIN : 00030274) as Managing Director of the Company		
6.	To appoint Dr. Srivari Chandrasekhar (DIN-00481481) as Director of the Company		
7.	To Appoint Sri Ch. Siddartha (DIN : 01250728) as Jt. Managing Director of the company.		
8.	To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2017		
9.	To approve the Agreement with M/s. Vasantha Transport Corporation (VTC)		

Signed this Day of2016.

Affix Re.1
Revenue
Stamp

Signature of shareholder : _____

Signature of Proxy holder (s) : _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. * It is optional to put a 'x' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Please complete all details including details of member(s) in above box before submission.

If undelivered, please return to :



VISHNU CHEMICALS LIMITED

6-3-662/B/4, Sri Sai Nilayam,
II Floor, Sangeetnagar Colony,

Somajiguda,

Hyderabad - 500 082

Telangana, India.